

SUPERMARKET

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THE ■ THINKING ■ PUBLICATION ■ FOR ■ THINKING ■ PEOPLE





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INSIDE

Smart & Final's concept is right, for consumers and business customers.

SUPERMARKET BUSINESS

SEPTEMBER
1992

VOLUME 47
NUMBER 9

THE ■ THINKING ■ PUBLICATION ■ FOR ■ THINKING ■ PEOPLE

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EDITOR'S VIEW

Why EDLP could be good for you



Sy Syms is a discount clothing merchant in the New York-New Jersey-Long Island area. He has an advertising line that has always struck me as brilliant: "An educated consumer is our best customer." From there, Sy goes on to explain the company's pricing policy.

As with Sy Syms' concept, the whole idea of the supermarket was that the consumer either knew what was needed to be known in advance (about brands and prices), or would be educated right at the shelf—with the private label right there for making comparisons. The consumer didn't need a store clerk to steer her/him to the "best" buys.

One of the problems with today's supermarket consumer is that she/he is no longer all that well-educated about the price of beans—or much else. We've trained her/him not to be. SUPERMARKET BUSINESS

proved that in a feature on everyday low pricing a couple of years ago.

Through consumer research we found that shoppers did not know the prices of groceries nearly as well as they thought they did. Perhaps after all the years of inflation, and ever-increasing grocery prices, that was to be expected. Also, as the percentage of disposable income (or discretionary income) spent on food continued to fall, many consumers stopped thinking in terms of pennies saved on food and groceries.

But that article on how well consumers knew (or did not know) the prices of groceries showed something else that was perhaps even more important. It showed that those consumers who shopped stores that promoted everyday low pricing policies actually *did* know prices better than consumers in other markets where EDLP was less prevalent. In other words, if you were able to attract those customers who were concerned about price, then it was possible to influence those customers with low prices.

The question arises: Did supermarket practices help to create a customer climate where the shopper no longer knew what the regular price was or had been? Had price increases become so frequent and consis-

tent that the "regular" price was something nobody could remember?

In the Eighties, we were no longer talking about pennies of difference. We were dealing with items that might have had regular prices of four, five or ten dollars, and with coupons and rebates of perhaps half that amount. Who could possibly remember the original, "regular" price?

Now, going into the third year of recession, with prices either flat or falling, perhaps the consumer is catching up. Perhaps somewhere in the nether regions of the mind the "regular" or everyday price is being stored without conscious effort, but is nonetheless retrievable when needed—such as when a new price is offered in a so-called alternative format.

We've done enough price studies this year to show that prices can vary spectacularly from market to market on the same items. Yet, when consumers are offered consistently lower prices, whether in an EDLP store or through a club, quite a lot of shoppers seem to know it.

In the recession of the early Eighties, the super warehouse store made quite an impact in several markets. Fortunately, the economy recovered in time to permit good supermarket

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Phar-Mor's Latest Chapter: A Riches To Rascals Story

So what's been happening in Youngstown? Apparently Phar-Mor than we knew.

It was only in July that the 306-store discount pharmacy chain based there was shouting out a spate of good tidings ... a 26 percent sales increase for the fiscal year ended in June to more than \$3 billion; the achievement of coast-to-coast status with the company's move into Utah, New York and California; the groundbreaking for a new warehouse in Jacksonville, Fla., and ongoing expansion.

But by early August,

EDITOR'S VIEW

Continued from page 7

operators to recover before too much damage was done. In other markets, weaker operators, or those who were preoccupied with other interests, fell by the wayside.

Perhaps, with so many pricing strategies in the marketplace of late, the EDLP operator might be doing the market a favor. Perhaps this is the way to re-establish the so-called "regular" price. After all, if the consumer no longer knows the regular price from the "high" or "low" price, isn't most grocery advertising (which is 98 percent price advertising) falling on noise-overloaded ears? Isn't it all just so much static?

What's to stop the "Hi-Lo" operator from offering a true loss leader now and then, especially on sizes and packs that the EDLP operator or club

doesn't carry, such as the *regular* size under-arm deodorant, or shaving cream or toothpaste, that can be so hard to find nowadays.

I can see the advertising line right now: "Give the traveling man or woman in your family a break! Stop paying those exorbitant hotel/motel prices." And ... "You don't have to buy the double- hernia size at our stores to get a bargain. We stock the *regular* sizes—often at below regular prices. Check our unadvertised instore bargains, and see."

Or ... "Do you really want to feed your family and your pets food that's three months old, or more? And ... "We carry a variety of sizes and packs of your brands so that you don't have to turn your home into a warehouse."

I think the point is becoming clear: If supermarkets do not re-establish the regular price, somebody else is going to do it for you. ■

A CLEARER PICTURE

In a feature article in the July 1992 issue of SUPERMARKET BUSINESS under the headline "Mini Vs. Micro—A Photo Finish," a chart illustrating a profit and loss comparison of instore mini-lab and micro-lab processing units contained inaccuracies, as the result of an editorial error.

The corrected chart—showing a reasonable breakdown of per-month costs and profits for mini and micro-lab programs, to the best extent that they can be compared directly—appears below. The scenarios apply to Fuji's Compact II mini-lab, and to Qualex's "ExpresStop" program utilizing a Moritsu micro-lab, each processing 40 rolls a day at an average retail price of \$8.95.

Monthly Costs/Return	Mini ¹	Micro ²
Equipment	\$800 ³	\$1,295 ⁴
Print fee	N/A	5,200 ⁵
Paper/Chemicals	2,352	N/A
Misc.	100	N/A
Service	275	N/A
Labor	4,800 ⁶	1,470
Utilities	200	100
Phone line	N/A	50
Total Cost	\$8,527	\$8,115
Sales	\$10,740	\$10,740
Net pre-tax profit	2,213	2,625
Profit to sales	21%	24%

¹Source: Fuji Photo Film U.S.A., Inc.

⁴Lease fee

²Source: Qualex, Inc.

⁵@ \$0.17 per print fee

³Toward \$42,000 purchase price.

⁶3 employees @ \$10 per hour

N/A — Not applicable

the picture had faded nearly to black, as the company announced it had filed for bankruptcy protection and taken a \$350 million accounting charge, because of losses resulting from an alleged swindle it said was perpetrated by its former president, Michael I. Monus and chief financial officer, Patrick B. Finn. Both executives have been dismissed.

Phar-Mor has also sued its auditor, Coopers & Lybrand, for its failure to uncover the alleged embezzlement of funds by the former executives, which the company says took place over the past several years.

Food Show Joining FMI May Convention

The U.S. Food Export Show, sponsored by the National Association of State Departments of Agriculture (NASDA), will be featured as a "show within a show" at McCormick Place during FMI's annual convention, set for May 9-12, 1993.

The Export show, previously an every-other-year event, switches to annual status to coincide with the FMI show.

Called "Share the Taste of the States," the 1993 export show will link U.S. manufacturers of exported food products and international buyers.

In L.A.—The Flames Died Down, But Hunger Burns On

The Los Angeles Regional Foodbank says that while the flames of the city's racial disorders have died down, its hunger crisis continues at full-boil. "People need to understand that we had a severe problem in Los Angeles before the disorders," says Doris Bloch, executive director. "Now that crisis is worse."

Bloch said the food bank was grateful for heavier donations in May and June, which were double the two million-pound monthly norm. But while the problem remains acute, July donations were back down to two million pounds.

Shortages, which are likely to continue through the end of the year, make it necessary for the food bank to "triage" food supplies to the groups it serves. Heavily-used food pantries are usually first in line.

Bloch says California's state budget woes are compounding the shortage. Along with those displaced or left unemployed in the wake of the riots, businesses relying on government contracts may be going belly-up: In fact state-issued IOUs are no longer cashed by most banks.

Bloch knows just how those business owners feel. The food bank's state and federal funds are now frozen in the non-cashable paper IOUs, because the federal funds come through state channels.

Instore Couponing Not As Effective With Older Folks

Hoping to sway senior citizens with newfangled instore coupons? Good luck. Older folks are more likely to have already made up their minds—at home.

That's the word from NCH Promotional Services (Lincolnshire, Ill.), which recently surveyed 700 adults. When questioned, 69 percent of those 45 or older said they decided which brands to buy based on the fact that they had clipped a coupon at

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45th

ANNUAL CONSUMER EXPENDITURES STUDY



BY DAVID LITWAK
AND NANCY MALINE

Running Harder To Stay Even?

If supermarket operators are crying the blues, it may be because they're out of breath: Our Consumer Expenditures Study shows you're running faster than ever before ... to stay even. This year's story: Dollars in 1991 were up, tonnage was up. But thanks to deflation, profits were pinched.

■ Selling more, but enjoying it less?

If so, it may be you're just one of many supermarket operators who in 1991 rang up more sales, pushed more tonnage out the door...and took less profit to the bank.

In 1991, not only did both dollar sales and tonnage grow—the increases were sizable. Grocery outlets rang up aggregate sales of \$346.5 billion. Of that total, \$272.2 billion was posted by the nation's approximately 30,700 large grocery outlets, a.k.a. supermarkets.

In current dollars, this is a 2.3 percent rise in overall grocery outlet dollar sales and 2.7 percent in supermarket dollar sales ... an increase we believe to be understated. Here's why we think so:

The \$346.5 billion figure for 1991 grocery industry sales is what the U.S. Department of Commerce reports. It's the number we have always reported as the grocery industry "Grand Total," as we have always assumed it to be the most correct figure. Why? Because the Government, presumably, can draw upon data the private sector can't.

Further, as we always remind our readers in order not to mislead them, adding up all the lines in our CES tables provides a grand total that accounts for most grocery industry sales but not all. It's "not all" because we don't include data unless we're pretty sure it's reliable ... and we have yet to figure out how to get reliable data on a host of miscellaneous items sold by food stores—GM items like clock radios, watches and bath towels, say.

Why do we think Commerce is understating 1991 U.S. grocery store growth? Because Commerce's grand total is too close for

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comfort to the total of our (by no means all-inclusive) individual category increases: Commerce's total leaves too little for sales of all those impossible-to-accurately-track miscellaneous items.

By how much do we think Commerce understates 1991 sales growth? At least two percent.

Specifically, in our 45th Annual Consumer Expenditures Study, spending across its 730-odd categories adds up

to \$346.27 billion. Subtract this from Commerce's \$346.5 billion total, and what's left is a mere \$259 million for miscellaneous expenditures.

Because the CES's \$346.27 billion food/nonfood total represents a four-percent increase over 1990, we think it's conceivable that the grocery industry grew by a number closer to 4.0 percent than Commerce's 2.3 percent estimate.

Still, whatever the sales

growth, for many retailers the issue is profits. In 1991, a strange set of dynamics bedeviled the grocery industry. In the face of a recalcitrant economy, supermarket companies found it harder to hold up their bottom lines.

Sparking the first significant volume rise in recent memory, consumers spent more in supermarkets than ever before, as they cut back on spending in foodservice establishments.

But stagnation and deflation exacted their price—with consumers hunting for bargains, and often resorting to alternative formats to get them, supermarkets were hard-pressed to get their usual margins. The average gross margin in supermarkets fell slightly in 1991, dropping to 24.4 percent from 1990's 24.9 percent. While margins in some individual categories rose, on balance gross margins slid half a point.

This slippage by itself may not appear large. But if the average gross is off half of a percent, then the net suffers, too. Ironically, this happened in a year when many retailers reported initial increases in many products' grosses.

Despite the slight decline in margin, if overhead, labor and debt service costs remained about the same over this period, then 1991 should have been a slightly more profitable time for many operators than 1990.

The size of the "if" in the above sentence would dictate the actual return relative to the year before for an individual operator. Unfortunately, for the majority of operators the "if" loomed very large, decreasing the profits per sales dollars, along with the margin.

So far this year, consumer prices have fallen by one to two percent. And it's not over—election's Silly Season notwithstanding, deflation may tamper further with supermarket profits. So at year's end you may again find yourself, like a pet mouse on an exercise wheel, running faster and faster ... in place.

METHODOLOGY

The 45th Annual Consumer Expenditures Study (CES) represents a concerted effort of individuals and firms from all facets of the food retailing industry. Drawing on the methodological tradition of 44 studies, the 45th annual study has brought together literally hundreds of sources, from companies that are household names, to those that are acknowledged as leaders within a specific segment of our industry.

The content of the CES is derived from input into each of the 700-plus categories by the leading manufacturers, processors, packers and marketers of those categories. Additional information on each category is gathered from management companies, advertising agencies, market research firms, trade associations and

wholesalers and retailers of the products.

The methodology used is varied, ranging from the tried-and-true methods of mail and telephone surveys, to old-fashioned book research into secondary sources, to the use of scanning data.

Initially, respondents in each category are sent a questionnaire about that category. Respondents to our questionnaire are supplied with sales estimates from the 44th Annual CES (1990) for the product lines in which they specialize. We ask them to indicate the percentage change in retail sales for these products in all outlets and through grocery stores alone. It should be stressed that we ask them to supply industry-wide figures, and not their own sales figures. They also have the option to adjust previous sales figures according to their knowledge of the market.

Once these responses are recorded, they are verified by referring to any number of secondary sources, and retail scanning data. Wherever possible, each figure is cross-checked, even if the response comes from a marketer who has a 75 percent share of a category.

The result of all this is the consolidation of information into one set of numbers representing the percentage change in the total domestic, grocery and supermarket sales from 1990 to 1991, which is then applied to the 1990 base figure or, if situations warrant, a revised 1990 base figure.

Wherever the 1990 sales of a category or department have been revised, a footnote appears explaining the revision.

GLOSSARY OF TERMS

To assist with interpretation of our findings, definitions of terms used in this report are given below.

Supermarket: Complete, full-line, self-service and partial service food market, with annual sales of at least \$2 million.

Superette: Self-service or service food store handling groceries, meats and produce, with annual sales of \$1 million to \$2 million.

Convenience Store: Small food store, usually open extended hours and selling a limited line of fast-moving items.

Specialty Store: Store whose primary line may be meat, dairy, produce, drug or general merchandise.

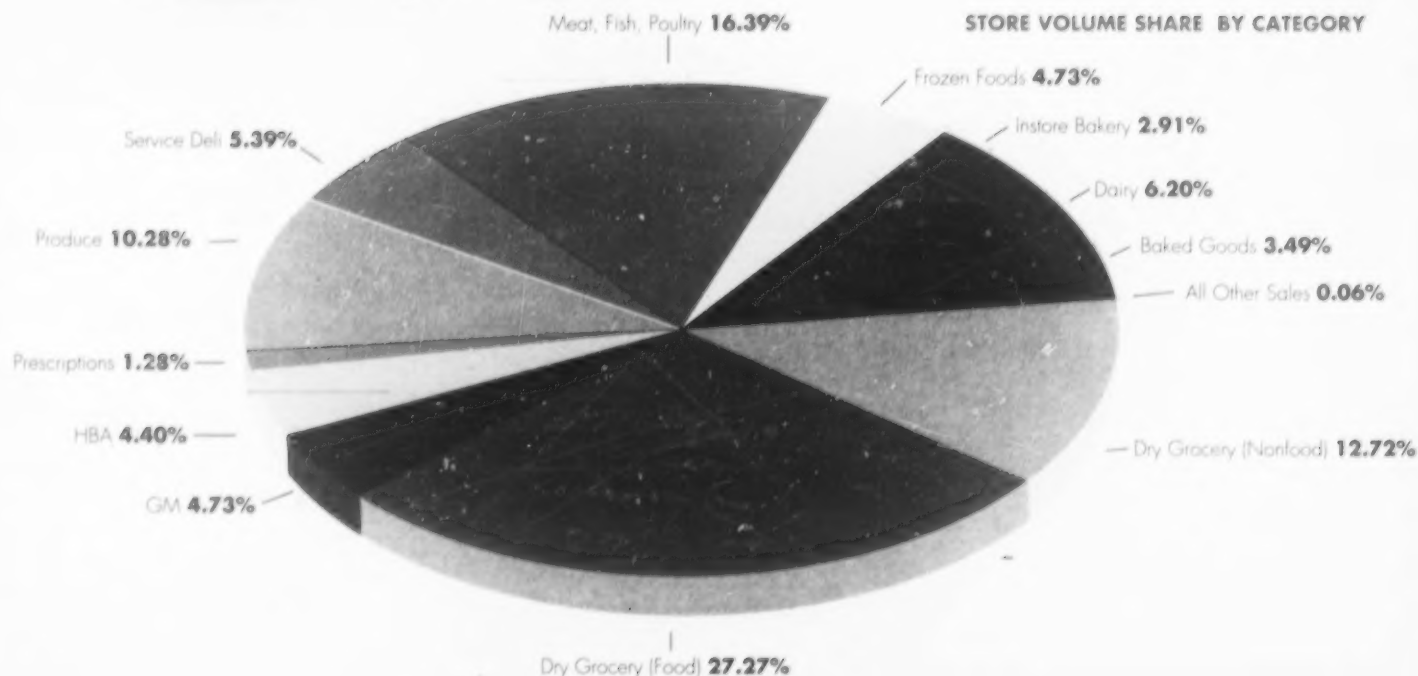
All Other Food Stores: Small (less than \$1 million annual sales) general food stores, or food stores not classified above.

Chain: An operation of 11 or more retail food stores, regardless of individual dollar volume.

45th

ANNUAL CONSUMER EXPENDITURES STUDY

Highlights



A look at the numbers ...

In the typical year—well, typical since the mid-Eighties, anyway—at this point in the story, we always remind you that because prices were up, your stores didn't really do any better last year than they did the year before in terms of moving additional product.

But 1991 *wasn't* a typical year.

Prices of supermarket items, especially food consumed at home, did *not* rise in 1991. According to the U.S. Department of Labor's Bureau of Labor Statistics, food purchased for home consumption—i.e. grocery, supermarket and specialty food stores—carried a combined average price tag that virtually matched 1990's.

Apply these stable prices to the increase in total dollars rung up by grocery stores and supermarkets last year, and you see that the amount of actual product sold by supermarkets increased 2.7 percent. Tonnage across all grocery outlets rose 2.3 percent. This was quite a change from the tonnage contraction suffered in the previous two years—a loss of 1.7 percent in 1990, and 0.4 percent in 1989.

The major change affecting the industry last year, the

TOTAL SUPERMARKET SALES EXPANDED IN 1991 BY 2.7 PERCENT

Perishables produced the bulk of supermarket sales in 1991, generating nearly half (49.4 percent) of total store volume. Beneath the total perishables umbrella, fresh meat, fish and poultry were the sales leaders, providing a third of all perishables sales.

The dry grocery foods category was number two in the checkout parade, contributing 27.3 percent of store sales and when combined with the perishables share, 67 percent of the total.

Nonfoods contributed 23 percent of overall supermarket sales in 1991, and the biggest contributor under that heading was dry goods, with a 12.7 percent share.

While per capita supermarket spending increased by \$24.43 to an annualized average of \$1,089.71 per person, household spending actually decreased slightly, to \$54.70 a week.

The reason for the apparent contradiction? The number of households in the U.S. increased by 3.6 million, while actual population growth was estimated at only about 700,000. It can be deduced that many of these new households are small, possibly consisting of a single person. In that sense, perhaps per capita and household spending are one and the same in a growing number of cases.

WEEKLY SPENDING IN SUPERMARKETS*—\$54.70 PER HOUSEHOLD

	1991		1990	
	Annual	Week	Annual	Week
Population	249.4 million		248.7 million ¹	
Households	95.5 million		91.9 million ¹	
Perishables				
Per Capita	\$ 539.06	\$10.37	\$ 520.89	\$10.01
Per Household	1,407.03	27.06	1,423.58	27.37
Dry Grocery (Food)				
Per Capita	297.57	5.72	287.96	5.53
Per Household	776.72	14.94	786.99	15.13
Total Foods				
Per Capita	836.63	16.09	808.85	15.55
Per Household	2,183.75	41.99	2,210.57	42.51
Dry Grocery (Nonfood)				
Per Capita	138.78	2.67	138.76	2.66
Per Household	362.25	6.97	379.24	7.29
General Merchandise/HBA				
Per Capita	99.66	1.92	102.18	1.96
Per Household	260.13	5.00	279.27	5.37
Grand Total*				
Per Capita	\$1,089.71	\$20.96	\$1,065.28	\$20.48
Per Household	2,844.32	54.70	2,882.86	55.43

Note: Population and household data are from U.S. Bureau of the Census. Includes one-person households. Excludes armed forces overseas. Sales figures are from 1992 CES.

* Total includes merchandise sales not classified above.

† Supermarkets are defined as grocery stores with annual sales of over \$2 million.

1 Actual Figures from 1991 U.S. Census Estimate.

Highlights

change that led to much of 1991's tonnage gain, was the screeching to a halt of the industry's annual food price increases. Stabilizing prices, in fact, may have been one incentive luring shoppers back to the supermarket.

Indeed, for the first time in years, supermarket sales and tonnage increases kept pace with those of foodservice outlets. Dollar sales in restaurants and other foodservice establishments rose 5.4 percent last year. But prices also increased, gaining 2.9 percent. In total, therefore, the foodservice sector's tonnage rose only 2.5 percent.

This is very good news for the grocery industry, which has been especially hard-put to match foodservice industry gains in the fast-food and home-delivered segments, segments that have seen the greatest growth.

Not that 1991 was a bad year for foodservice. Tonnage in grocery and foodservice outlets was up. This was due, in part, to an increase in the population. The official estimate of the U.S. Bureau of the Census puts the 1991 U.S. population at 249.4 million. That is, reportedly, an increase of 700,000 over 1990's estimated population.

The needs of an additional 700,000 people alone account for extra grocery unit sales equivalent to some \$763 million, as well as another \$532 million in extra foodservice sales.

Last year's reported rise in the U.S. population comes on the heels of 1990's reported population drop of 100,000. If this roller-coaster trend were in fact an accurate depiction of reality, the 1991 increase would represent quite a jump. But we all know the "official" population differs from the actual population. People and groups not measured by the Census are growing much faster than the "official" population. This real growth is enough to explain the added tonnage in both grocery and foodservice last year.

So far this year, grocery store sales appear to be follow-

HOW AN AVERAGE HOUSEHOLD DOLES OUT ITS DOLLARS IN GROCERY STORES EACH WEEK

With a greater number of households spending less on average, supermarket spending patterns were somewhat more fragmented last year than in 1990, lending greater significance to those categories that enjoyed per-household sales increases.

Perishables achieved a small increase over last year (0.4 percent) with fish (2 percent), produce (4.1 percent) and fresh baked goods (11.6 percent) being the most popular choices. Slightly less per household was spent on frozen foods in 1991 (down 2.9 percent).

Most of the shelf-stable food categories experienced declines in 1991. Canned fish dollars were down by a sharp ten percent, while canned meat and poultry product sales plummeted by 7.1 percent.

In a clear show of preference, households shelled out 10.5 percent more for traditional soft drinks, while prepared drinks took a 9.3-percent nosedive.

Spending for household items decreased overall last year by 3.6 percent. With the major share of the category accounted for by such staple items as soaps and paper supplies, it is apparent that consumers are buying more on sale, or trading down to lower-priced private labels.

More household dollars were spent on health and beauty aids in 1991, with spending for costly prescription drug items up by more than 11 percent over 1990 totals. In sharp contrast, spending for general merchandise items was down by \$.90 per household, on average.

	1991	1990	Change
Perishables			
Baked goods	\$ 2.67	\$ 2.67	0.0%
Dairy	4.89	4.95	- 1.3
Frozen foods	3.33	3.43	- 2.9
Fresh meat and provisions	8.47	8.62	- 1.7
Fresh fish	.81	.77	+ 5.2
Fresh poultry	1.95	1.98	- 1.5
Produce	7.05	6.77	+ 4.1
Instore bakery	1.63	1.46	+11.6
Instore deli	2.73	2.75	- 0.7
Total	\$ 33.53	\$ 33.40	+ 0.4%

Dry Grocery (Food)			
Beer	\$ 3.36	\$ 3.45	- 2.6%
Wine, liquor, coolers	.55	.59	- 6.8
Baby food	.60	.56	+ 7.1
Breakfast foods	1.76	1.70	+ 3.5
Candy and chewing gum	.78	.78	0.0
Canned foods			
Fruits	.36	.37	- 2.7
Juices and drinks	.96	.93	+ 3.2
Meat and poultry	.26	.28	- 7.1
Milk	.08	.08	0.0
Seafood & fish	.36	.40	- 10.0
Soups	.59	.59	0.0
Vegetables	.66	.69	- 4.3
Prepared drinks	1.36	1.50	- 9.3
Dried foods	.69	.71	- 2.8
Jams, jellies and preserves	.45	.45	0.0
Pasta	.29	.29	0.0
Desserts	.13	.13	0.0
Soft drinks	2.52	2.28	+10.5
Sugar	.31	.33	- 6.1
Miscellaneous	4.19	4.24	- 1.2
Total	\$ 20.26	\$ 20.37	- 0.5%
Total Foods	\$ 53.79	\$ 53.77	0.0%

Dry Grocery (Nonfood)			
Paper goods	\$ 2.44	\$ 2.55	- 4.3%
Soaps, detergents	1.19	1.26	- 5.6
All other household supplies	1.24	1.27	- 2.4
Pet foods	1.26	1.30	- 3.1
Tobacco products	3.22	3.30	- 2.5
Total	\$ 9.35	\$ 9.70	- 3.6%

General Merchandise/HBA			
Health and beauty aids (nonprescription)	\$ 2.96	\$ 2.84	+ 4.2%
Prescriptions	.70	.63	+11.1
Housewares	.28	.28	0.0
All other general merchandise	1.94	2.84	- 31.7
Total	\$ 5.88	\$ 6.23	- 5.6%
All other sales NCE	.76	1.21	- 37.2%
Grand Total	\$69.78	\$70.91	- 1.6%

Source: 1992 CES

Highlights

ing 1991's pattern. Nationally, sales through the first six months are within one to two percent of where they were last June. Regionally, sales performance varies with the local economy.

While good for the consumer, the news is at best a mixed blessing for retailer and manufacturer. Many report price cuts and more promotions, as they strive to drive sales.

A product-by-product view

Product by product, turnaround occurred in a number of categories ... sometimes for better, sometimes not. After years of steady increases in some categories and decaying sales in others, just the opposite performance was recorded last year. Too, new categories appeared on the scene, while others faded. Categories that were hot for a year or two took a nosedive; trendy new ones emerged.

All major food store departments gained last year. But health and beauty aids and general merchandise, up 7.9 percent and 5.2 percent respectively, posted the largest increases. Both increases are higher than the gains these sections enjoyed the year before.

The HBA increase was built on the strength of double-digit gains in family planning (+10.3 percent) and prescription drugs (+16.0 percent). Family planning is a relatively small category (with sales of just \$113 million in grocery). But prescription drugs, with 1991 sales of \$3.48 billion in supermarkets, is the biggest HBA category, significant enough to noticeably affect total HBA performance.

Equally important, it's profitable business. Prescriptions' 52.5 percent gross margin is among the highest of any major category in the store.

Packaged medications, up 8.8 percent, also gave HBA a boost. Packaged meds are, at \$2.92 billion, the second-largest HBA category after prescriptions. Given the extremely large sales of both

FOOD STORE SALES

For the purpose of this study, supermarkets are defined as food stores doing at least \$2 million in annual sales. But in 1991, the average supermarket grossed better than four times that amount. The year's average supermarket volume of \$8.85 million marks a \$200,000 improvement over the prior year's figure.

The number of chain-operated supermarkets grew by 5 percent in 1991, but independents managed to increase their share of total supermarket sales by just over a percentage point.

SALES (000)

% OF VOLUME

By Store Volume

	1991	1990	1991	1990
Supermarkets ¹	\$ 271,789,274	\$ 264,935,354	73.3%	73.1%
Superettes ²	22,177,984	21,753,816	6.0	6.0
Other Grocery Stores ³	52,563,742	52,167,830	14.2	14.4
Total Grocery Stores	\$ 346,531,000	\$ 338,857,000	93.5%	93.5%
Specialty Food Stores ⁴	24,276,000	23,477,000	6.5	7.5
Total Food Stores	\$ 370,807,000	\$ 362,334,000	100.0%	100.0%

¹ Over \$2 million

² \$1 million to \$2 million

³ Under \$1 million including convenience stores and other small grocery stores

⁴ Includes meat, seafood, fruit and vegetable markets, confectionary, bakery, deli and other foodstores.

Source: 1992 CES

By Store Affiliation

	1991	1991
Independent Grocery Stores	\$ 52,095,850	14.1%
Chain Grocery Stores*	\$ 294,551,350	79.4%
Total Grocery Stores	\$ 346,531,000	93.5%
Specialty Food Stores	\$ 24,276,000	6.5%
Total Food Stores	\$ 370,807,000	100.0%

*Chains (11 or more stores)

GROCERY STORE SALES TRENDS: 1991*

Number of Grocery Stores	140,000
Sales (000)	\$ 346,531,000
Sales per Store	\$ 2,475,221
"People" per Store	1,781

Number of Grocery Stores	
Over \$2 Million	30,700
\$1 Million-\$2 Million	12,100
\$500,000-\$1 Million	19,700
\$500,000 or more	62,500
All Other	77,500

Sales (000)	
Over \$2 Million	\$ 271,789,274
\$1 Million-\$2 Million	22,177,984
\$500,000-\$1 Million	18,712,674
\$500,000 or more	\$ 312,679,932
All Other	\$ 33,851,068

Sales Per Store	
Over \$2 Million	\$ 8,853,071
\$1 Million-\$2 Million	1,832,891
\$500,000-\$1 Million	949,882
Less than \$500,000	436,796

Chains (11 or More Stores)**	23,800
Total Sales (000)	\$294,551,350
Sales per Store	\$ 12,376,107
% of Total Sales	85.0%

All Other Stores**	116,200
Total Sales (000)	\$ 52,095,850
Sales per Store	\$ 448,329
% of Total Sales	15.0%

* Grocery store sales reported by U.S. Department of Commerce

** Includes all grocery stores regardless of annual sales volume.

packaged medications and prescription drugs in supermarkets, it's easy to see why health care products are important not only to consumers, but to operators.

By comparison, sales of HBA categories such as nail care, cosmetics, skin care and hair care, grew at a much slower rate.

There were also some precipitous declines. "What goes up, must come down" clearly applies to sales of several once-hot categories. Diet aids lost bodysize, after posting a hefty 25.4 percent gain in 1990. Has America lost enough weight? Are people turning to other panaceas? Or has the diet aids business sim-

ply become more competitive, depressing prices? Whatever the reason, 1991 diet aids sales in grocery stores fell 9.2 percent.

As for general merchandise, its 5.2 percent sales gain can be traced to healthy hikes in its four largest categories. The largest GM increase came in audio/video (+9.9 percent), a

Highlights

result of strong video rental and sales. Housewares garnered 5.1 percent more sales, while periodicals increased 6.8 percent. Miscellaneous GM, a catch-all category of small items that add up to big volume, increased 8.7 percent.

A whole lotta food going out

Compelling proof that grocery store sales grew by more than the 2.3 percent cited by the Department of Commerce comes from our figures for grocery store food sales. Food categories (both dry grocery and perishables) account for 77 percent of total grocery sales. Last year's food sales of \$267 billion represented a 3.4 percent increase over 1990.

Perishables, with 49 percent of total store sales, still rule the sales roost in supermarkets. The good news is that sales of almost all perishables categories increased in 1991. The exception was dairy, which dropped... but not by much—just 0.1 percent. In total, perishables rose 4.4 percent.

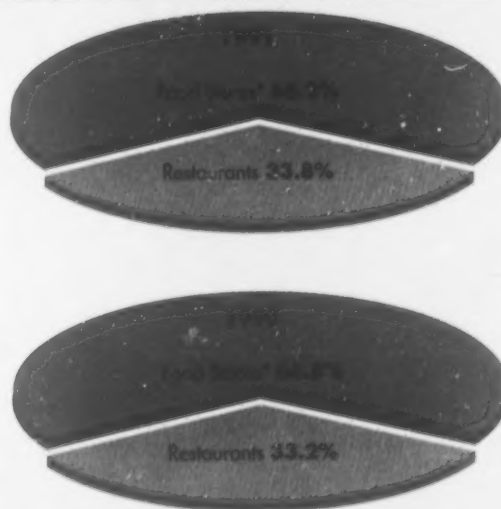
Though perishables sales increases were not in every case large, collectively category size can make any gain a significant one. And there were some substantial increases, especially among the service sections—once again coming through with double-digit growth, instore bakery rose 11.2 percent, while service deli was up 14.9 percent.

Interestingly, several key increases in perishables were much smaller than those posted by the service departments. Produce brought in 7.8 percent more dollars last year than in 1990; while meat rang up 2.2 percent more. Meat's increase is noteworthy in that it reflected some actual tonnage increases in individual product categories, rather than merely the price-driven increases meat has seen for the past few years.

The significance of these sales increases is due, quite simply, to their size. In 1991,

SHARE OF FOOD DOLLAR—FOOD STORES VS. RESTAURANTS

On and on (for 20 years and counting) looms the specter of restaurant, fast food and other food-service outlets wrenching food dollars from supermarkets... and on and on, the numbers stay essentially the same, with supers ringing up twice the sales dollars (66.8 percent of the total) as their feared enemies. The evolution predicted by some industry "visionaries" as far back as the early 1970s, whereby eateries would grow to command 50 percent of total food expenditures, appears to be somewhat slow in materializing.



*Includes specialty food shops. Source: U.S. Dept. of Commerce Bureau of Labor Statistics

RANKING OF RETAIL SALES BY TRADE

As expected, retail sales growth was less than spectacular in 1991. Most industries did not see sales increase more than two or three percent, among those that increased at all. The largest growth spurt was exhibited by drug and proprietary stores. Restaurants posted the second highest growth rate at 5.1 percent. The grocery industry ranked sixth among all retail trades with its 2.3-percent sales increase over the prior year's performance.

Automotive sales and services suffered during the year. Motor vehicle dealerships reported sales down by 2.3 percent, while service station volume was off 2.8 percent. The apparel and building supply industries reported flat results in 1991.

	1991 Sales (Millions)	Percent of Total	Change vs. 1990
All Retail Sales	\$1,821,397	100.0%	+ 0.7
Building Supply, Hardware Stores	92,419	5.1	0.0
Eating & Drinking Establishments	189,398	10.4	+ 5.1
General Merchandise Group	218,183	12.0	+ 2.8
Apparel Group	95,612	5.2	+ 0.1
Gasoline Service Stations	128,137	7.1	- 2.8
All Other Retail Stores	167,277	9.2	- 2.0
GROCERY STORES	346,531	19.0	+ 2.3
Motor Vehicle Dealers	373,128	20.5	- 2.3
Liquor Stores	21,402	1.2	+ 3.0
Drug & Proprietary Stores	74,904	4.1	+ 9.2
Furnishings, Appliances	90,130	4.9	- 3.2
Specialty Food Stores	24,276	1.3	+ 3.4

Source: U.S. Dept. of Commerce

annual sales of produce and meat were \$28 billion and \$44.6 billion respectively.

Dry grocery categories did not post quite the same increases that perishables did, an indicator, perhaps, that the move to fresh is still very much alive.

As a whole, the dry grocery/ food categories increased just 1.9 percent last year.

That's in contrast to its 3.5 percent 1990 increase.

Essentially, three factors are responsible for dry grocery's 1991 performance: First, obviously, is deflation. In 1991, the price of many grocery items fell... which means that if the same number of units are sold, sales dollars drop.

Second, again, is the continuing consumer move to

fresh, as well as to more convenient foods, which includes frozen (up 0.1 percent in 1991). Doubtless as a result, canned goods dropped.

The third factor is growing consumer concern for health issues. Some dry grocery food products probably lost ground because of their salt, calorie or fat contents. Coffee is a prime

Text continues on page 46

SALES GROWTH OVER 16 YEARS

The 'Inflation Zone'

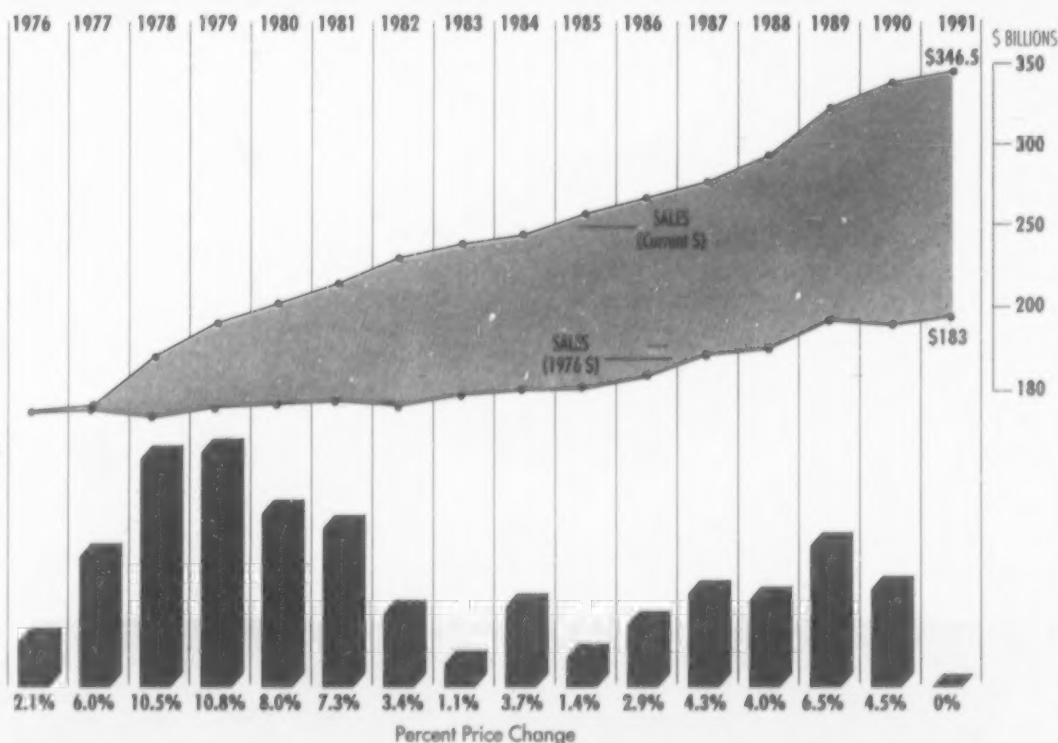
Talk about entering another dimension in space and time. In 1976, the total grocery store sales figure was \$183 billion. Fast-forward to 1991, and you're looking at \$346.5 billion. And that's including years of very low inflation.

CPI Changes

Up 18.5 percent in 1990. Down 12.7 percent in 1991. What does that have to do with the price of bacon? Everything, according to the Bureau of Labor Statistics. Those figures were, in fact, the price changes for bacon over that time.

The prices for most meat and poultry products went down in 1991 following the relatively stiff increases of 1990. The notable exception was pork, which increased in price by 3.3 percent. Fresh and frozen fish retails also rose, by 2.3 percent overall.

Dairy section items also had higher price tags, except for eggs, which fell off by 18.5 percent. Moving to the produce department, prices were generally down, with the exceptions of apples and tomatoes.



CHANGES IN CONSUMER PRICE INDEX 1990-91 FOR SUPERMARKET PRODUCTS*

	Percent Change 1991	Percent Change 1990
Food	1.0	5.8
Food away from home	2.9	4.7
Food at home	0.0	6.5
Food and beverages	1.5	5.8
Cereals & Bakery	3.2	5.7
Bread, white	2.8	5.3
Other bread	2.8	6.4
Cookies & cakes	4.1	5.9
Flour, prepared mixes	1.6	4.2
Rice, pasta & corn meal	.6	3.6
Fresh Beef & Veal	- 1.3	7.4
Sirloin steak	- 3.8	3.5
Ground beef	- .5	8.9
Chuck roast	- .1	11.5
Round roast	- .1	7.1
Round steak	.6	5.5
Pork	3.3	14.7
Chops	- 4.5	14.4
Bacon	-12.7	18.5
Ham	- 5.4	12.8
Sausage & other pork	- 5.4	14.8
Other Meats	- .3	9.4
Poultry	- .8	- .2
Fresh whole chicken	.2	- 1.5
Fresh & frozen chicken parts	- .6	.1
Other poultry	.5	1.7
Fish & Seafood	2.3	1.7
Canned fish	- .8	- 3.8
Fresh & frozen fish and seafood	3.1	3.4

	Percent Change 1991	Percent Change 1990
Dairy Products	2.4	9.5
Fresh whole milk	2.2	10.9
Eggs	-18.5	4.8
Cheese	2.9	11.7
Ice cream & related products	2.2	6.8
Other dairy products (including butter)	1.0	.8
Fresh Fruits & Vegetables	- 2.5	8.8
Apples	10.1	4.9
Bananas	- 1.3	4.9
Oranges and tangerines	- 8.8	9.3
Potatoes	- 6.2	3.6
Lettuce	-21.0	- .7
Tomatoes	5.5	11.0
Processed Fruits	1.1	9.0
Frozen fruit & fruit juices	.1	10.7
Canned & dried fruits	4.8	2.0
Processed Vegetables	1.2	2.6
Frozen vegetables	.7	4.0
Other processed vegetables	1.4	2.1
Sugar & Sweets	3.7	-
Sugar & artificial sweeteners	.2	4.1
Other sweets	4.9	4.5
Beverages	- .7	-
Carbonated drinks	.3	3.4
Noncarbonated drinks	2.2	5.4
Coffee	- 4.5	- 2.4

	Percent Change 1991	Percent Change 1990
Alcoholic Beverages	5.5	4.7
Beer & ale	6.5	4.6
Distilled spirits	4.5	4.9
Wine	6.4	3.0
Fats & Oils	- 1.3	4.2
Other Prepared Foods	2.7	4.5
Canned, packaged soup	6.3	6.5
Frozen prepared foods	.5	2.0
Snacks	.7	2.8
Seasonings, olives, pickles, relish	4.9	5.5
Housekeeping Supplies	1.4	3.5
Soaps & detergents	3.7	3.6
Household paper products	.6	4.4
Tobacco & Smoking Products	8.6	10.4
Health & Beauty Aids	2.6	-
Prescriptions	8.6	-
Personal care	1.8	4.3
Cosmetic, bath & nail products, manicure & eye makeup implements	1.7	4.6
Other toilet goods	4.3	3.4
Miscellaneous		
Newspapers	8.0	4.2
Magazines, books	.3	5.8
Photo supplies	.9	2.5
Motor oil, coolant & other products	-12.5	14.0
Pet supplies	1.2	3.2

Note: All figures are positive (+) unless otherwise noted.
* Source: Bureau of Labor Statistics, Consumer Price Index, January 1992.

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example of a category whose erosion is due at least in part to people's concerns about caffeine; it was off nine percent, though, to be sure, part of that dollar loss was a result of price decreases.

But things could be worse. If growth in dry grocery/food was slow last year, dry grocery/nonfoods was positively moribund. As a whole, the section neither gained nor lost sales in 1991. Gainers in the category were canceled out by virtually identical losses elsewhere in the group.

At 19 percent of U.S. retail

sales totalling \$1.821 trillion, the grocery industry continues to play a major role in the nation's economy. Grocery's 1991 share, up from 18.7 percent in 1990, is second only to motor vehicle dealerships, which, at \$373.1 billion in 1991, accounted for 20.5 percent of all U.S. retail sales.

It may be that, by the end of this year, grocery will have edged out autos and taken the lead: While grocery sales were increasing 2.3 percent, motor vehicle sales were dropping 2.3 percent. To be sure, other industries grew faster than grocery. But these industries,

such as drug stores (+9.2 percent) and restaurants (+5.1 percent) are much smaller.

Thus, in a period of economic stagnation, the grocery segment increased much more than did retailing in general: The \$1.821 trillion 1991 retailing total represents a dollar sales increase of some \$13 billion over the previous year. And of that \$13 billion gain, grocery alone accounted for \$7.7 billion or more than half—59 percent, in fact—of the increase.

Apparently, its essential nature is once again standing the food business in good

stead. Grocery's recent performance vis-a-vis retailing as a whole bears out the time-honored truism that, "Come what may, people must eat."

Together, grocery stores, foodservice outlets and specialty food stores accounted for more than \$560 billion in sales in 1991—about 31 percent of all retail sales. That is, nearly a third of all retail dollars spent in the U.S. went for food and related items.

For players in the supermarket business, that's some consolation. The business may not be booming ... but at least it isn't going away.

CATEGORIES THAT INCREASED IN SALES IN 1991

Largest Percentage Increases in Dollar Sales

Category	1991 Grocery Store Sales (000)	Percent Increase	% of Store Volume
Video Cassette Sales	190,788	57.4	0.06
Cough Medications	377,692	38.7	0.11
Toothbrushes	203,560	27.3	0.06
Incontinence Products	115,614	25.9	0.03
Diarrhea Remedies	166,628	24.6	0.05
Toaster Pastries	233,409	23.7	0.07
Packaged Cold Cuts	4,706,782	22.2	1.36
Plastic Cutlery	66,582	20.9	0.02
Cereal Bars	406,128	19.0	0.12
Onions	977,452	18.8	0.28
Routine Infant Formulas	1,501,747	18.4	0.43
Croutons	40,105	17.0	0.01
Tomatoes	2,543,001	16.6	0.73
Antifreeze	206,803	16.2	0.06
Freezer Paper	24,026	16.1	0.01
Video Cassette Rentals	845,000	16.0	0.24
Fever Thermometers	18,113	16.0	0.01
Prescriptions	3,480,916	16.0	1.00
Frozen Yogurt	302,260	15.7	0.09
Apricots	24,711	15.2	0.01

Largest Volume Increases in Dollar Sales

Category	Dollar Sales Increase (000)	Percent Increase	% of Store Volume
Service Deli	1,901,240	14.9	4.23
Other Fresh Vegetables	1,224,525	12.0	3.30
Packaged Cold Cuts	855,078	22.2	1.36
In-Store Bakery	797,225	11.2	2.34
Ready-to-Eat Cereals	489,172	7.1	2.13
Prescriptions	480,126	16.0	1.00
Beef	453,271	2.1	6.36
Tomatoes	362,040	16.6	0.73
Fresh Fish & Other Seafood	279,298	7.5	1.16
Bananas	263,046	13.0	0.66
Routine Infant Formulas	233,380	18.4	0.43
Filter-Tipped Cigarettes	232,883	1.6	4.27
Fruit Drinks	226,931	15.1	0.50
Domestic Beer	204,566	1.3	4.60
Frankfurters	203,343	11.5	0.57

CATEGORIES THAT DECREASED IN SALES IN 1991

Largest Percentage Decreases in Dollar Sales

Category	1991 Grocery Store Sales (000)	Percent Decrease	% of Store Volume
Semi-Moist Cat Food	140,457	- 18.4	0.04
Dates	30,280	- 18.0	0.01
Diet Supplements	85,442	- 17.8	0.02
Ham	179,803	- 17.1	0.05
Baby Shampoo	65,620	- 16.3	0.02
Vegetable Combinations & Sauce, Frozen	493,631	- 16.0	0.14
Other Sausage Products	2,646,962	- 15.8	0.76
Semi-Moist Dog Food	115,909	- 13.5	0.03
Lard	29,095	- 12.4	0.01
Soap Flakes, Chips, Powders	29,068	- 11.3	0.01
Feminine Sprays	3,891	- 10.8	0.00
Mouthwash & Gargles	350,499	- 10.5	0.10
Buffing Floor Wax	4,967	- 10.3	0.00
Canned Sardines	84,072	- 10.1	0.02
Douches	29,782	- 10.1	0.01
Corned Beef	55,496	- 10.0	0.02
Instant Coffee	1,027,789	- 9.8	0.30
Waxed Paper	32,118	- 9.5	0.01
Dried Beans & Peas	231,203	- 9.3	0.07
Window Cleaners	97,524	- 8.8	0.03

Largest Volume Decreases in Dollar Sales

Category	Dollar Sales Decrease (000)	Percent Decrease	% of Store Volume
Other Sausage Products	- 496,698	- 15.8	0.76
Regular Coffee	- 309,923	- 9.1	0.89
Fresh Milk	- 180,589	- 2.5	2.03
Toilet Paper	- 163,277	- 5.7	0.78
Packaged Bacon	- 160,880	- 7.2	0.60
Cured Ham & Picnics	- 126,821	- 5.8	0.59
Frozen Dinners/Entrees	- 125,120	- 6.0	0.57
Sausages (uncooked)	- 119,249	- 9.2	0.34
Instant Coffee	- 111,667	- 9.8	0.30
Natural Cheese	- 99,854	- 4.3	0.66
Vegetable Combinations & Sauce, Frozen	- 94,025	- 16.0	0.14
Canned Tuna	- 93,882	- 6.2	0.41
Other Liquid Detergents	- 83,516	- 6.7	0.34
Eggs	- 77,065	- 4.9	0.44
Processed Cheese	- 76,477	- 3.1	0.71

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ANNUAL CONSUMER EXPENDITURES STUDY

Summary

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE			
	A Value of Total Retail Sales (all outlets)	B Amount Spent in Grocery Stores	C % of Total Sales	D % Grocery to Total	E % Change from '90 to '91		F Amount Spent in Supermarkets	G % of Total Supermarket	H Dollar Margin	I % Margin
(all USD to all dollar items)										
PERISHABLES	241,959,363	166,552,884	48.06	69	3.7	4.4	134,448,718	49.39	41,946,358	31.2
Baked Goods	20,281,591	12,928,544	3.82	64	0.7	0.3	9,504,047	3.49	2,850,432	30.0
Instore Bakery	7,915,305	7,915,305	2.34	100	11.2	11.2	7,915,305	2.91	4,487,978	56.7
Dairy	41,797,285	23,763,916	7.01	57	-0.8	-0.1	16,879,816	6.20	3,876,751	23.0
Frozen Foods	22,563,198	16,521,804	4.77	73	1.0	0.1	12,878,651	4.73	3,516,773	27.3
Fresh & Cured Meat, Fish & Poultry	82,062,687	55,774,511	16.10	68	1.9	2.2	44,619,609	16.39	10,217,890	22.9
Service Deli	14,661,240	14,661,240	4.23	100	14.9	14.9	14,661,240	5.39	6,304,333	43.0
Produce	52,678,057	34,987,564	10.10	66	8.0	7.8	27,990,052	10.28	10,692,200	38.2
DRY GROCERY (FOOD)	148,933,769	100,597,341	29.03	68	1.0	1.9	74,219,220	27.27	16,940,088	22.8
Baby Foods	3,390,386	2,985,502	0.86	88	11.2	11.7	2,138,928	0.79	111,312	5.2
Baking Needs	3,146,658	2,846,516	0.82	90	1.6	1.9	2,076,635	0.76	442,821	21.3
Beer, Wine & Liquor	39,168,009	19,448,501	5.61	50	-2.4	0.4	13,325,687	4.90	2,472,683	18.6
Breakfast Foods	8,864,615	8,717,106	2.52	98	7.2	7.3	6,592,746	2.42	1,498,219	22.7
Candy & Chewing Gum	11,344,110	3,883,510	1.12	34	3.4	2.9	3,010,275	1.11	970,671	32.2
Canned Fish & Canned Seafood	2,028,881	1,807,553	0.52	89	-5.5	-5.6	1,384,777	0.51	262,805	19.0
Canned Fruits	2,049,740	1,780,063	0.51	87	0.1	0.2	1,290,279	0.47	284,154	22.0
Canned & Bottled Juices & Drinks	5,591,349	4,780,664	1.38	86	8.0	7.9	3,282,593	1.21	783,030	23.9
Canned Meat & Specialty Foods	1,685,358	1,293,934	0.37	77	-2.9	-3.7	930,543	0.34	208,800	22.4
Canned Milk	436,682	392,864	0.11	90	-1.3	-1.5	298,576	0.11	51,355	17.2
Canned Prepared Foods	2,176,788	2,033,787	0.59	93	-1.5	-1.4	1,606,692	0.59	408,591	25.4
Canned & Dry Soups	3,101,042	2,954,502	0.85	95	4.8	4.8	2,266,331	0.83	566,138	25.0
Canned Vegetables	3,672,175	3,258,177	0.94	89	-0.9	-0.8	2,528,178	0.93	562,980	22.3
Condiments, Dressings, Spreads, Relishes	8,469,900	6,831,083	1.97	81	3.5	3.7	5,311,178	1.95	1,408,223	26.5
Desserts	696,547	611,394	0.18	88	2.0	2.0	469,690	0.17	103,032	21.9
Dried Foods	4,209,857	3,431,932	0.99	82	1.3	1.6	2,562,814	0.94	724,786	28.3
Fats & Shortenings	1,845,366	1,542,060	0.44	84	-2.5	-2.3	1,182,060	0.43	239,257	20.2
Jams, Jellies, Preserves	2,748,991	2,237,920	0.65	81	2.2	2.4	1,538,165	0.57	393,033	25.6
Pasta	1,984,852	1,424,368	0.41	72	3.4	3.2	1,068,276	0.39	302,322	28.3
Prepared Drinks	8,889,526	6,751,529	1.95	76	-5.8	-5.6	4,951,033	1.82	1,125,396	22.7
Snacks	10,205,281	6,612,726	1.91	65	3.4	3.0	4,322,718	1.59	1,206,518	27.9
Soft Drinks	20,227,725	12,512,363	3.61	62	2.1	3.7	10,234,514	3.76	2,408,572	23.5
Sweeteners, Flavors	2,999,931	2,459,284	0.71	82	0.4	0.2	1,846,532	0.68	405,388	22.0
TOTAL FOODS	390,893,132	267,150,225	77.09	68	2.7	3.4	208,667,938	76.66	48,629,175	23.3
DRY GROCERY (NONFOODS)	72,982,811	46,419,221	13.40	64	1.4	0.0	34,614,948	12.72	7,778,957	22.5
Home Canning Supplies	118,251	94,796	0.03	80	0.5	0.4	78,681	0.03	17,939	22.8
Laundry Supplies	1,729,735	1,599,676	0.46	92	-2.6	-2.6	1,158,779	0.43	245,031	21.1

HOW TO USE THESE CHARTS

- A This column shows total retail sales of a product line or category through all outlets. The value of a product is computed as if the product were sold at grocery store prices. Example: Total Retail Sales of Baked Goods = \$20,281,591,000.
- B This column shows the amount actually spent in grocery stores for each product line or category. Grocery stores are defined as retail outlets doing a major portion of their business in dry groceries. Example: Total Grocery Sales of Baked Goods = \$12,928,544,000.
- C This column shows the percentage of the total grocery store volume that is contributed by each product line or category. Example: 3.82% of the Total Grocery Store Sales come from the sale of Baked Goods.
- D This column shows the share of the total sales of a product line or category that is sold through grocery stores. Example: 64% of the total Sales of Baked Goods come from Grocery Stores.

- E These columns show the year-to-year increase or decrease in total and grocery sales for each product line or category. Example: Total Sales of Baked Goods rose 0.7% and Grocery Store Sales of Baked Goods rose 0.3%.
- F This column shows sales of a product line or category coming from those grocery stores which can be classified as "supermarkets." Supermarkets are defined as grocery stores with annual sales of over \$2 million. Example: Supermarket Sales of Baked Goods totaled \$9,504,047,000 in 1991.
- G This column shows the percentage of the total supermarket volume that is contributed by each product line or category. Example: 3.49% of the Total Supermarket Sales come from the sale of Baked Goods.
- H This column shows the difference between the cost of an item and its retail price. Example: There was a difference of \$2,850,432,000 between the total cost to supermarkets for Baked Goods and their retail sales in 1991.
- I This column takes the dollar margin from column H and expresses it as a percentage. Example: There was a difference of 30.0% between the cost of Baked Goods and their supermarket retail price in 1991.

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ANNUAL CONSUMER EXPENDITURES STUDY

continued

Summary

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE			
	A Value of Total Retail Sales (all outlets) (add 000 to all dollar figures)	B Amount Spent in Grocery Stores	C % of Total Share	D % Grocery to Total	E % Change from '90 to '91		F Amount Spent in Supermarkets	G % of Total Supermarket	H Dollar Margin	I % Margin
Soaps & Detergents	6,519,685	5,936,240	1.71	91	-1.3	-1.5	4,538,021	1.67	953,313	21.0
Other Cleaners, Cleansers & Supplies	3,684,475	2,418,692	0.70	66	-0.6	1.0	1,748,722	0.64	526,387	30.1
Paper, Plastic, Foil Products	16,182,100	12,081,788	3.49	75	0.1	-0.9	9,222,014	3.39	1,918,952	20.8
Pesticides & Rodent Control	698,019	385,562	0.11	55	8.6	5.7	293,027	0.11	101,974	34.8
Waxes & Polishes	357,443	279,873	0.08	78	-3.0	-2.7	194,499	0.07	51,523	26.5
Other Household Supplies	3,222,080	1,416,367	0.41	44	12.8	6.0	857,484	0.32	312,099	36.4
Pet Foods	6,887,959	6,220,830	1.80	90	0.2	-0.3	4,492,408	1.65	875,862	19.5
Tobacco Products	33,583,064	15,985,398	4.61	48	3.0	1.3	12,031,311	4.42	2,775,876	23.1
HEALTH & BEAUTY AIDS (Non-Rx)	39,819,890	14,695,048	4.24	37	5.1	7.9	11,973,571	4.40	3,920,235	32.7
Diet Aids	545,425	350,555	0.10	64	-12.2	-9.2	238,377	0.09	67,699	28.4
Cosmetics	5,845,087	722,225	0.21	12	3.0	0.9	538,161	0.20	201,411	37.4
Family Planning	750,986	113,461	0.03	15	6.8	10.3	102,521	0.04	47,212	46.1
Feminine Hygiene Products	1,932,447	1,182,859	0.34	61	1.8	7.2	1,031,676	0.38	294,602	28.6
Hair Products	4,869,437	1,877,584	0.54	39	1.8	2.7	1,685,087	0.62	546,927	32.5
Health Aids	1,259,185	572,584	0.17	45	1.8	1.1	474,605	0.17	175,375	37.0
Nail Care Products	694,615	129,199	0.04	19	7.8	5.4	108,527	0.04	45,364	41.8
Oral Hygiene Products	3,007,227	1,610,897	0.46	54	4.1	2.3	1,400,090	0.51	343,835	24.6
Packaged Medications	10,326,715	3,642,536	1.05	35	4.5	8.8	2,918,243	1.07	1,087,171	37.3
Personal Cleanliness Products	214,242	49,752	0.01	23	2.2	2.3	45,172	0.02	12,984	28.7
Personal Deodorants, Antiperspirants	1,334,409	734,875	0.21	55	3.4	2.8	654,038	0.24	173,974	26.6
Shaving Products	2,162,187	719,591	0.21	33	3.8	3.5	570,699	0.21	181,829	31.9
Skin Care Products	2,450,298	573,106	0.17	23	5.4	2.8	454,058	0.17	153,658	33.8
Vitamins & Tonics	1,691,011	656,901	0.19	39	3.1	3.4	538,659	0.20	214,386	39.8
Other Health & Beauty Aids	2,736,619	1,758,924	0.51	64	5.1	5.3	1,213,657	0.45	373,806	30.8
PRESCRIPTIONS	31,371,162	3,480,916	1.00	11	15.1	16.0	3,480,916	1.28	1,827,481	52.5
GENERAL MERCHANDISE	ND	14,526,465	4.19	NC	—	5.2	12,883,468	4.73	4,769,963	37.0
Audio & Video	13,442,811	1,462,485	0.42	NC	11.6	9.9	1,038,364	0.38	406,000	39.1
Auto Supplies	2,599,103	757,400	0.22	29	9.5	7.1	666,512	0.24	177,292	26.6
Electrical Appliances	ND	236,389	0.07	NC	—	-2.3	219,841	0.08	69,470	31.6
Flashlights & Batteries	3,507,375	586,042	0.17	17	1.7	-1.4	521,577	0.19	216,976	41.6
Greeting Cards	5,272,627	702,927	0.20	13	6.7	5.9	681,840	0.25	336,829	49.4
Hardware	ND	279,613	0.08	NC	—	2.1	271,225	0.10	98,183	36.2
Housewares **	5,697,999	1,400,546	0.40	NC	3.2	5.1	2,052,844	0.75	936,097	45.6
Other Housewares	ND	715,789	0.21	NC	—	0.0	0	0.00	0	0.0
Periodicals	12,127,401	2,237,993	0.65	18	1.8	6.8	1,812,774	0.67	520,266	28.7
Other Merchandise +	5,325,787	630,873	0.18	NC	5.1	2.0	492,449	0.18	234,493	47.6
Pet Accessories	1,950,715	512,511	0.15	26	7.8	7.5	497,136	0.18	226,197	45.5
Photo Supplies & Processing	9,786,184	1,804,608	0.52	18	-0.5	-0.8	1,660,240	0.61	371,894	22.4
Stationery	910,473	180,067	0.05	20	5.2	5.6	158,459	0.06	65,126	41.1
Toys	14,768,059	325,119	0.09	2	3.5	5.0	273,100	0.10	108,967	39.9
Underwear & Hosiery	6,269,114	1,060,664	0.31	NC	1.3	-0.9	922,680	0.34	409,510	44.4
Writing Implements	1,159,273	133,907	0.04	12	7.7	8.0	129,890	0.05	64,166	49.4
General Merchandise NCE	ND	1,499,532	0.43	NC	—	8.7	1,484,536	0.55	528,495	35.6
TOTAL FOODS & NONFOODS*	ND	346,271,873	99.93	NC	—	4.0	271,620,841	99.79	66,925,841	24.6
SALES NCE	ND	259,127	0.07	NC	—	-95.6	168,433	0.06	59,962	35.6
GRAND TOTAL*	ND	346,531,000	100.00	NC	—	2.3	271,789,274	99.85	66,985,803	24.6

— Not Available
 ND Not determined
 NCE Not Classified Elsewhere
 NC Not Comparable

* Supermarket Margin based on total excluding prescriptions
 ** Includes only housewares categories listed on the following tables.

+ Includes categories listed on the following tables that are too small to list separately for summary purposes.

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ANNUAL CONSUMER EXPENDITURES STUDY

Perishables

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
(add 000 to all dollar figures)	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Sales	% Grocery to Total	% Change ³ from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Sales	% Grocery to Total
BAKED GOODS	20,281,591	12,928,544	3.82	64	0.7	0.3	9,504,047	3.49	2,850,432	30.0	20,149,098	12,891,014	3.80	64
Bread & Rolls ⁴	10,650,157	6,669,379	1.97	63	0.8	1.1	5,002,034	1.84	1,435,584	28.7	10,560,763	6,595,369	1.95	62
Rolls, Bread Type	1,560,124	445,443	0.13	29	0.8	0.5					1,547,742	443,227	0.13	29
Variety Bread	2,067,072	1,025,874	0.30	50	0.7	1.0	3,718,733	1.37	1,208,588	32.5	2,052,703	1,015,717	0.30	49
White Bread	7,022,961	5,198,062	1.53	74	0.9	1.2					6,960,318	5,136,425	1.52	74
Crackers, Cookies, Biscuits	5,562,242	5,164,907	1.52	93	-1.5	-1.2	3,718,733	1.37	1,208,588	32.5	5,646,946	5,227,639	1.54	93
Bread & Cracker Crumbs	86,120	69,937	0.02	81	4.4	4.8					82,490	66,733	0.02	81
Croissants	59,599	40,105	0.01	67	16.3	17.0	35,292	0.01	10,129	28.7	51,246	34,278	0.01	67
Rice & Grain Cakes	158,571	88,538	0.03	56	6.2	6.6	54,008	0.02	14,636	27.1	149,314	83,056	0.02	56
Sweet Goods	3,764,903	895,678	0.26	24	2.9	1.3	635,931	0.23	161,527	25.4	3,658,340	883,938	0.26	24
Cakes & Pastries	2,612,195	554,486	0.16	21	5.8	4.7					2,468,993	529,595	0.16	21
Doughnuts	620,023	227,674	0.07	37	-7.2	-6.2					668,128	242,723	0.07	36
Pies	532,685	113,518	0.03	21	2.2	1.7					521,219	111,620	0.03	21
INSTORE BAKERY	7,915,305	7,915,305	2.34	100	11.2	11.2	7,915,305	2.91	4,487,978	56.7	7,118,080	7,118,080	2.10	100
DAIRY	41,797,285	23,763,916	7.01	57	-0.8	-0.1	16,879,816	6.20	3,876,751	23.0	42,130,967	23,777,181	7.02	56
Cheese	7,732,489	5,607,130	1.65	73	-2.3	-3.0	4,494,836	1.65	1,328,773	29.6	7,918,225	5,778,479	1.71	73
Cottage & Pot Cheese	607,651	441,441	0.13	73	-5.0	-4.3	317,838	0.12	78,188	24.6	639,633	461,276	0.14	72
Cream Cheese	742,087	552,838	0.16	74	4.5	4.7	442,271	0.16	116,759	26.4	710,131	528,021	0.16	74
Natural Cheese ⁵	3,840,825	2,222,341	0.66	58	-4.0	-4.3	1,822,320	0.67	584,965	32.1	4,000,859	2,322,196	0.69	58
Processed Cheese ⁶	2,541,926	2,390,510	0.71	94	-1.0	-3.1	1,912,408	0.70	548,861	28.7	2,567,602	2,466,986	0.73	96
Eggs	4,685,222	1,495,696	0.44	32	-4.6	-4.9	942,288	0.35	180,919	19.2	4,911,134	1,572,761	0.46	32
Milk & Milk Products	19,730,776	8,030,361	2.32	41	-2.0	-2.4	5,210,711	1.91	849,878	16.3	20,132,081	8,227,404	2.43	41
Butter	1,311,618	691,269	0.20	53	-3.9	-2.8	546,102	0.20	101,575	18.6	1,364,847	711,182	0.21	52
Fresh Cream	420,883	234,068	0.07	56	3.4	4.0	177,892	0.07	44,651	25.1	407,043	225,065	0.07	55
Fresh Milk	17,931,597	7,042,955	2.03	39	-1.9	-2.5	4,437,061	1.63	692,182	15.6	18,287,399	7,223,543	2.13	40
Home Consumption	11,692,103	7,042,955	2.03	60	-2.7	-2.5					12,016,550	7,223,543	2.13	60
Other Milk	6,239,495	NC	NC	NC	-0.5	-0.4					6,270,849	NC	NC	NC
Refrigerated Toppings	66,679	62,070	0.02	93	-8.4	-8.2	49,656	0.02	11,470	23.1	72,793	67,614	0.02	93
Yogurt	2,721,967	2,296,111	0.66	84	5.8	5.2	1,630,239	0.60	448,316	27.5	2,572,748	2,182,615	0.64	85
Margarine	2,107,787	1,802,479	0.52	86	-2.8	-2.3	1,315,810	0.48	293,426	22.3	2,168,505	1,844,912	0.54	85
Refrigerated Juices/Drinks	3,090,586	3,008,082	0.87	97	4.1	4.2	2,075,577	0.76	440,022	21.2	2,968,919	2,887,277	0.85	97
Apple Juice	70,392	67,480	0.02	96	1.5	0.9					69,352	66,878	0.02	96
Grapefruit Juice	164,130	154,728	0.04	94	1.8	2.2					161,228	151,397	0.04	94
Orange Flavored Drinks	166,452	156,006	0.05	94	4.3	4.0					159,589	150,006	0.04	94
Orange Juice	2,587,327	2,530,375	0.73	98	4.1	4.2					2,485,425	2,428,383	0.72	98
Other Fruit Juices & Drinks	102,285	99,492	0.03	97	9.6	9.8					93,325	90,612	0.03	97
Refrigerated Mexican Foods	196,386	177,399	0.05	90	8.8	9.0	141,919	0.05	33,777	23.8	180,501	162,751	0.05	90
Refrigerated Dough Products	879,964	849,582	0.25	97	3.0	3.2	662,674	0.24	192,838	29.1	854,334	823,238	0.24	96
Refrigerated Dips	105,468	93,872	0.03	89	6.9	6.8	75,098	0.03	17,573	23.4	98,661	87,895	0.03	89
Refrigerated Puddings	102,101	90,120	0.03	88	8.2	7.9	72,096	0.03	16,798	23.3	94,363	83,522	0.02	89
Refrigerated Fish Appetizers	32,081	29,456	0.01	92	-3.3	-3.7	23,565	0.01	7,588	32.2	33,176	30,588	0.01	92
Refrigerated Pasta	208,843	185,337	0.05	89	12.2	12.2	153,830	0.06	39,380	25.6	186,135	165,184	0.05	89
Refrigerated Pickles/Relishes	185,014	82,705	0.02	45	2.5	2.4	66,991	0.02	22,442	33.5	180,501	80,766	0.02	45
Refrigerated Salads	18,601	15,586	0.00	84	4.4	4.1	14,183	0.01	5,021	35.4	17,817	14,972	0.00	84
FROZEN FOODS	22,563,198	16,521,804	4.77	73	1.0	0.1	12,878,651	4.73	3,516,773	27.3	22,339,088	16,499,222	4.87	74
Frozen Baked Goods	1,506,101	1,390,011	0.40	92	2.5	2.9	1,206,844	0.44	431,150	35.7	1,469,644	1,350,369	0.40	92
Frozen Bagels	225,414	219,970	0.06	98	6.9	7.2	189,174	0.07	70,562	37.3	210,864	205,196	0.06	97
Frozen Breads & Rolls	439,358	398,889	0.12	91	3.4	4.0	339,055	0.12	126,129	37.2	424,911	383,547	0.11	90
Frozen Cakes & Pastries	414,538	387,685	0.11	94	1.2	1.5	341,163	0.13	117,701	34.5	409,623	381,956	0.11	93
Frozen Pies	426,791	383,467	0.11	90	0.6	1.0	337,451	0.12	116,758	34.6	424,245	379,670	0.11	89
Frozen Breakfast Entrees	857,313	825,523	0.24	96	8.8	9.1	775,992	0.29	222,710	28.7	788,254	756,606	0.22	96
French Toast/Pancakes	109,159	104,941	0.03	96	8.0	8.1					101,073	97,078	0.03	96
Waffles	478,193	456,546	0.13	95	9.9	10.3					435,117	413,913	0.12	95
Other Breakfast	269,961	264,035	0.08	98	7.1	7.5					252,064	245,614	0.07	97
Ice Cream & Yogurt	6,732,245	2,452,479	0.71	36	6.6	6.7	1,643,161	0.60	469,944	28.6	6,317,643	2,299,367	0.68	36
Bulk Ice Cream ⁷	880,742	NC	NC	NC	5.0	—					838,802	NC	NC	NC
Packaged Ice Cream	3,234,861	2,150,220	0.62	66	5.8	5.5					3,057,524	2,038,123	0.60	67
Specialty Ice Cream	1,898,780	NC	NC	NC	5.5	—					1,799,792	NC	NC	NC
Frozen Yogurt ⁸	717,861	302,260	0.09	42	15.5	15.7					621,525	261,244	0.08	42

1. All consumption—all retail sales, not including products sold through restaurants and institutions that have been altered by the seller. Excluding those portions of a commodity that are used commercially as an ingredient in another product.

2. Refers to grocery stores and includes supermarkets. Excluded from this column (but included in the first column) are sales by such specialty food stores as delicatessens, dairy stores, bakeries, meat markets,

confectionaries, fruit and vegetable markets, egg dealers, drug stores, and mass merchandisers.

3. Decreases are shown by minus signs. Other figures represent increases. Comparisons to 1990 are based solely on the item categories that were reported in both the 1990 and 1991 studies.

4. Includes bagels, onion rolls, etc.

5. Includes cheddar, Colby, brick, foreign types.

6. Includes cheese food and cheese spreads.

7. Grocery store sales are mainly packaged ice cream and specialties, and a negligible amount of bulk ice cream.

8. Packaged products only, excludes soft-serve frozen yogurt.

NC Not Comparable.

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ANNUAL CONSUMER EXPENDITURES STUDY

continued

Perishables

1991 TOTAL SALES		GROCERY STORE PERFORMANCE				SUPERMARKET PERFORMANCE				1990 PERFORMANCE				
(add 000 to all dollar figures)	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change ³ from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
Frozen Coffee Creamer	43,110	39,898	0.01	93	-6.7	-6.3	29,125	0.01	9,087	31.2	46,205	42,580	0.01	92
Frozen Toppings	202,217	190,529	0.05	94	3.2	3.4	163,855	0.06	45,224	27.6	195,946	184,264	0.05	94
Frozen Meat, Fish,Poultry	3,759,591	3,206,501	0.93	85	-1.2	-0.9	2,855,347	1.05	726,160	25.4	3,803,621	3,236,264	0.96	85
Fish & Other Seafood	848,719	640,742	0.18	75	-6.4	-5.8	563,536	0.21	168,054	29.8	906,387	680,315	0.20	75
Frozen Fish Sticks	110,248	88,805	0.03	81	-1.4	-1.0	79,925	0.03	24,057	30.1	111,813	89,702	0.03	80
Frozen Shrimp	280,038	209,324	0.06	75	-6.5	-5.8	182,112	0.07	54,451	29.9	299,506	222,212	0.07	74
Other Frozen Fish/Seafood	458,433	342,613	0.10	75	-7.4	-7.0	301,499	0.11	89,545	29.7	495,069	368,401	0.11	74
Frozen Meat	425,157	207,160	0.06	49	0.3	0.2	192,659	0.07	52,211	27.1	423,885	206,747	0.06	49
Frozen Poultry	2,485,715	2,358,599	0.68	95	0.5	0.4	2,099,153	0.77	505,896	24.1	2,473,348	2,349,202	0.69	95
Frozen Prepared Foods	4,675,795	4,530,399	1.31	97	-0.6	-0.9	4,028,332	1.48	1,081,817	26.9	4,705,997	4,572,776	1.35	97
Frozen Dinners/Entrees	1,981,747	1,960,206	0.57	99	-5.6	-6.0	1,724,982	0.62	451,945	26.2	2,099,309	2,085,326	0.62	99
Frozen Meat Pies	273,090	255,828	0.07	94	0.0	-0.3	240,478	0.09	62,765	26.1	273,090	256,597	0.08	94
Frozen Pizza	1,114,698	1,108,581	0.32	99	6.4	6.4	975,552	0.36	269,252	27.6	1,047,649	1,041,900	0.31	99
Frozen Poultry Pies	271,785	254,236	0.07	94	-0.8	-1.1	238,982	0.09	62,374	26.1	273,976	257,064	0.08	94
Frozen Oriental	154,815	152,289	0.04	98	3.2	3.1	135,537	0.05	34,969	25.8	150,015	147,710	0.04	98
Frozen Mexican	445,615	436,161	0.13	98	-3.7	-3.8	396,925	0.15	114,711	28.9	462,737	453,411	0.13	98
Frozen Sandwiches	375,429	306,155	0.09	82	8.9	10.2	266,355	0.10	72,182	27.1	344,746	277,818	0.08	81
Other Frozen Prepared Foods	58,616	56,921	0.02	97	7.6	7.5	49,521	0.02	13,618	27.5	54,476	52,950	0.02	97
Frozen Fruits ⁹	142,185	133,227	0.04	94	1.6	1.8	115,908	0.04	35,236	30.4	139,902	130,896	0.04	94
Blueberries	19,557	17,880	0.01	91	2.6	2.8					19,062	17,393	0.01	91
Raspberries	22,632	21,136	0.01	93	1.9	2.1					22,210	20,702	0.01	93
Strawberries	59,217	56,502	0.02	95	1.1	1.2					58,572	55,832	0.02	95
Other Frozen Fruits	40,778	37,709	0.01	92	1.8	2.0					40,057	36,969	0.01	92
Frozen Fruit Juice Concentrates	1,496,887	1,371,431	0.40	92	-2.0	-2.2	1,014,254	0.37	197,779	19.5	1,527,265	1,402,670	0.41	92
Apple Juice	127,931	117,960	0.03	92	-4.1	-4.2					133,401	123,132	0.04	92
Grape Juice	119,947	109,799	0.03	92	2.5	2.6					117,021	107,017	0.03	91
Grapefruit Juice	19,261	16,724	0.00	87	-1.4	-1.5					19,535	16,978	0.01	87
Orange Juice	1,180,420	1,078,993	0.31	91	-2.2	-2.5					1,206,973	1,106,660	0.33	92
Other Fruit Concentrates	49,328	47,955	0.01	97	-2.0	-1.9					50,335	48,884	0.01	97
Frozen Fruit Drinks	145,198	134,218	0.04	92	-2.2	-2.2	116,770	0.04	29,543	25.3	148,464	137,223	0.04	92
Lemonade Bases	55,051	51,100	0.01	93	-1.9	-2.0					56,117	52,143	0.02	93
Regular Orange	14,336	12,973	0.00	90	2.5	2.8					13,986	12,620	0.00	90
Synthetic Orange	25,897	23,376	0.01	90	-5.4	-5.5					27,375	24,737	0.01	90
Other Fruit Drinks	49,914	46,769	0.01	94	-2.1	-2.0					50,985	47,723	0.01	94
Frozen Vegetables	3,002,557	2,247,588	0.65	75	-6.1	-5.8	929,063	0.34	268,123	28.9	3,196,147	2,386,208	0.70	75
Asparagus	66,072	46,276	0.01	70	-1.9	-1.8					67,351	47,124	0.01	70
Broccoli	147,710	104,820	0.03	71	-2.5	-2.3					151,498	107,288	0.03	71
Cauliflower	29,203	20,831	0.01	71	-3.3	-3.0					30,200	21,475	0.01	71
Corn	205,580	143,648	0.04	70	1.5	1.8					202,542	141,108	0.04	70
French Fried Potatoes	966,907	787,734	0.23	81	-3.0	-2.9	661,696	0.24	190,569	28.8	996,812	811,260	0.24	81
Green Beans	110,975	82,579	0.02	74	-2.1	-1.8					113,356	84,093	0.02	74
Green Peas	194,091	138,231	0.04	71	1.2	1.5					191,790	136,188	0.04	71
Lima Beans	52,044	34,371	0.01	66	-3.3	-3.0					53,820	35,434	0.01	66
Onion Products	57,083	40,771	0.01	71	-2.9	-2.6					58,788	41,859	0.01	71
Other Potato Products	110,786	81,002	0.02	73	-3.8	-3.7	71,282	0.03	20,102	28.2	115,162	84,115	0.02	73
Spinach	85,069	60,559	0.02	71	1.9	1.9					83,483	59,430	0.02	71
Vegetable Combinations & Sauce	678,348	493,631	0.14	73	-16.2	-16.0					809,484	587,656	0.17	73
Other Frozen Vegetables	298,688	213,135	0.06	71	-7.2	-7.0	196,085	0.07	57,453	29.3	321,862	229,178	0.07	71
FRESH & CURED MEAT, FISH & POULTRY	82,062,687	55,774,511	16.10	68	1.9	2.2	44,619,609	16.39	10,217,890	22.9	80,494,734	54,555,854	16.10	68
Fresh Fish & Other Seafood	4,571,169	4,003,270	1.16	86	7.3	7.5	3,202,616	1.18	733,399	22.9	4,260,176	3,723,972	1.10	87
Fresh Meat	43,971,411	27,440,713	7.92	62	1.8	2.2	41,416,993	15.22	9,484,491	22.9	43,195,372	26,836,898	7.92	62
Beef	36,133,815	22,037,623	6.36	61	1.5	2.1	17,630,098	6.48			35,599,818	21,584,351	6.37	61
Lamb	1,346,243	1,198,616	0.35	89	2.0	2.0	958,893	0.35			1,319,846	1,175,114	0.35	89
Pork	5,737,901	3,729,539	1.08	65	4.9	4.5	2,983,632	1.10			5,469,877	3,568,937	1.05	65
Veal	753,452	474,935	0.14	63	-6.5	-6.6	379,948	0.14			805,832	508,495	0.15	63
Fresh Poultry	15,149,460	9,695,006	2.80	64	2.0	1.9	7,756,005	2.85	1,915,733	24.7	14,852,411	9,514,236	2.81	64
Packaged Meats	18,370,648	14,635,522	4.22	80	1.0	1.1	11,708,418	4.30	2,365,100	20.2	18,186,774	14,480,749	4.27	80
Cured Ham & Picnics	2,573,054	2,059,744	0.59	80	-5.8	-5.8					2,731,480	2,186,564	0.65	80
Frankfurters	2,527,832	1,971,539	0.57	78	11.4	11.5					2,269,149	1,768,196	0.52	78
Packaged Bacon	2,529,228	2,073,564	0.60	82	-7.2	-7.2					2,725,462	2,234,444	0.66	82
Packaged Cold Cuts	5,884,563	4,706,782	1.36	80	21.9	22.2					4,827,369	3,851,704	1.14	80
Sausages (uncooked)	1,508,452	1,176,932	0.34	78	-9.0	-9.2					1,657,640	1,296,181	0.38	78
Other Sausage Products	3,347,518	2,646,962	0.76	79	-15.8	-15.8					3,975,675	3,143,660	0.93	79
SERVICE DELI	14,661,240	14,661,240	4.23	100	14.9	14.9	14,661,240	5.39	6,304,333	43.0	**12,760,000	**12,760,000	3.63	100

9. Consumer size packages for home use.

** Represents a revision of the 1990 figure previously published.

Perishables

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
(add 000 to all dollar figures)	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change ³ from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
PRODUCE	52,678,057	34,987,564	10.10	66	8.0	7.8	27,990,052	10.28	10,692,200	38.2	48,779,227	32,469,579	9.58	67
Fresh Vegetables	34,949,988	20,986,682	6.06	60	9.8	9.9					31,826,608	19,095,628	5.64	60
Carrots	722,889	523,081	0.15	72	12.2	12.9					644,286	463,314	0.14	72
Celery	796,425	568,064	0.16	71	-4.2	4.1					831,342	545,691	0.16	66
Corn	665,768	374,481	0.11	56	0.0	0.2					665,768	373,734	0.11	56
Lettuce	2,742,692	1,799,333	0.52	66	-4.1	-3.9					2,859,949	1,872,355	0.55	65
Mushrooms	723,029	505,622	0.15	70	2.9	3.2					702,652	489,944	0.14	70
Onions	1,681,091	977,452	0.28	58	18.6	18.8					1,417,446	822,771	0.24	58
Potatoes	3,706,835	2,266,750	0.65	61	5.4	5.8					3,516,921	2,142,486	0.63	61
Tomatoes	4,310,559	2,543,001	0.73	59	16.4	16.6					3,703,229	2,180,962	0.64	59
Other Fresh Vegetables	19,600,701	11,428,898	3.30	58	12.1	12.0					17,485,014	10,204,373	3.01	58
Fresh Fruits	16,439,769	13,631,463	3.93	83	4.6	4.7					15,724,024	13,015,160	3.84	83
Apples	4,136,439	3,753,589	1.08	91	4.6	4.9					3,954,530	3,578,255	1.06	90
Bananas	2,806,919	2,786,474	0.66	81	12.7	13.0					2,490,611	2,023,429	0.60	81
Citrus Fruits	2,946,288	2,483,971	0.72	84	2.0	2.4					2,888,517	2,425,753	0.72	84
Other Fresh Fruits	6,550,124	5,107,429	1.47	78	2.5	-2.4					6,390,365	4,987,723	1.47	78
Floral	904,577	145,150	0.04	16	4.8	7.9					863,146	134,523	0.04	16
Wild Bird Seed ¹⁰	383,722	224,269	0.06	58	5.0	0.0					365,449	224,269	0.07	61
TOTAL PERISHABLES	241,959,363	166,552,884	48.06	69	3.7	4.4	134,448,718	49.39	41,946,358	31.2	233,298,714	159,598,451	47.10	68

Dry Grocery - Foods

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
(add 000 to all dollar figures)					Total	Grocery								
BABY FOODS	3,390,386	2,985,502	0.86	88	11.2	11.7	2,138,928	0.79	111,312	5.2	3,049,818	2,671,681	0.79	88
Desserts	96,357	79,712	0.02	83	4.0	3.8	56,596	0.02	3,396	6.0	92,651	76,794	0.02	83
Fruits & Juices	508,689	464,244	0.13	91	5.1	5.2	329,613	0.12	23,403	7.1	484,005	441,297	0.13	91
Meat & Combinations	340,438	296,573	0.09	87	2.5	2.7	210,567	0.08	15,371	7.3	332,135	288,776	0.09	87
Vegetables	162,401	139,220	0.04	86	6.8	7.0	98,847	0.04	8,204	8.3	152,061	130,113	0.04	86
Infant Cereals	97,689	83,613	0.02	86	0.5	0.6	59,365	0.02	5,580	9.4	97,203	83,114	0.02	86
Infant Formulas	2,184,812	1,922,138	0.55	88	15.5	16.4	1,383,940	0.51	55,358	4.0	1,891,763	1,651,586	0.49	87
Hypoallergenic Formulas	480,492	420,391	0.12	87	9.5	9.7					438,806	383,219	0.11	87
Routine Formulas	1,704,319	1,501,747	0.43	88	17.3	18.4					1,452,958	1,268,367	0.37	87
BAKING NEEDS	3,146,658	2,846,516	0.82	90	1.6	1.9	2,076,635	0.76	442,821	21.3	3,096,215	2,794,535	0.82	90
Baking Chocolate & Bits	423,259	403,660	0.12	95	6.2	6.2	294,671	0.11	64,828	22.0	398,549	380,094	0.11	95
Baking Powder	25,202	22,622	0.01	90	6.4	6.3	16,514	0.01	3,369	20.4	23,686	21,281	0.01	90
Baking Soda	17,956	14,946	0.00	83	8.3	8.4	10,910	0.00	2,575	23.6	16,580	13,788	0.00	83
Yeast	57,167	54,467	0.02	95	9.0	9.1	39,761	0.01	7,952	20.0	52,447	49,924	0.01	95
Baking Nuts	367,687	292,561	0.08	80	2.1	2.1	213,570	0.08	64,498	30.2	360,139	286,456	0.08	80
Shelled Walnuts	247,190	196,149	0.06	79	1.9	2.0					242,580	192,303	0.06	79
Other Baking Nuts	120,498	96,413	0.03	80	2.5	2.4					117,559	94,153	0.03	80
Flour	2,255,386	2,058,260	0.59	91	0.5	0.7	1,501,209	0.55	299,600	15.1	2,244,814	2,042,993	0.60	91
Cake Flour	15,069	13,701	0.00	91	10.3	10.3	10,276	0.00	1,654	16.1	13,662	12,421	0.00	91
Corn Meal	170,466	143,619	0.04	84	1.7	2.0	104,842	0.04	23,904	22.8	167,617	140,803	0.04	84
Family Flour	645,837	539,685	0.16	84	-3.6	-3.5	393,970	0.14	59,096	15.0	669,956	559,260	0.17	83
Pancake/Waffle Mix	170,886	159,512	0.05	93	-6.2	-6.1	114,849	0.04	24,578	21.4	182,182	169,874	0.05	93
Prepared Mixes	1,253,128	1,201,743	0.35	96	3.4	3.5	877,272	0.32	190,368	21.7	1,211,398	1,160,635	0.34	96
Cake Mixes	609,681	588,658	0.17	97	6.7	6.8					571,398	551,178	0.16	96
Frostings, Icing, Fudge	223,175	212,763	0.06	95	1.9	2.0					219,014	208,591	0.06	95
Pie Crust	63,473	61,163	0.02	96	-2.2	-2.2					64,901	62,539	0.02	96
Pizza Pie Mixes	94,975	91,604	0.03	96	0.2	0.1					94,785	91,512	0.03	97
Other Prepared Mixes	261,824	247,554	0.07	95	0.2	0.3					261,301	246,814	0.07	94
BEER, WINE & LIQUOR	39,168,009	19,448,501	5.61	50	-2.4	0.4	13,325,687	4.90	2,472,683	18.6	40,119,080	19,365,143	5.71	48
Beer For Home Consumption	22,946,615	16,710,349	4.82	73	1.3	1.2	11,363,037	4.17	1,783,997	15.7	22,654,499	16,515,924	4.87	73
Imported Beer	1,105,075	769,932	0.22	70	-2.7	-1.3					1,135,740	780,073	0.23	69
Domestic Beer	21,841,540	15,940,417	4.60	73	1.5	1.3					21,518,759	15,735,851	4.64	73
Liquor	9,490,049	256,531	0.07	3	-8.5	-7.5	236,009	0.09	98,652	41.8	10,371,639	277,331	0.08	3
Wine	6,031,062	1,935,019	0.56	32	-3.0	-2.0	1,393,214	0.51	504,343	36.2	6,217,590	1,974,509	0.58	32
Alcohol Coolers	700,282	546,602	0.16	78	-20.0	-8.5	333,427	0.12	85,691	25.7	875,352	597,380	0.18	68

10. Includes packages, bulk, and bells.

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ANNUAL CONSUMER EXPENDITURES STUDY

continued

Dry Grocery - Foods

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
(all 000 to all dollar figures)					Total	Grocery								
BREAKFAST FOODS	8,864,615	8,717,106	2.52	98	7.2	7.3	6,592,746	2.42	1,498,219	22.7	8,271,329	8,123,938	2.40	98
Ready-to-Eat Cereals	7,443,936	7,378,914	2.13	99	7.0	7.1	5,534,186	2.03	1,234,123	22.3	6,956,950	6,889,743	2.03	99
Hominy Grits	104,670	93,695	0.03	90	7.7	7.8	73,082	0.03	17,686	24.2	97,187	86,915	0.03	89
Hot Cereals	653,043	604,961	0.17	93	-2.2	-2.0	465,820	0.17	118,318	25.4	667,734	617,307	0.18	92
Cereal Bars	418,184	406,128	0.12	97	19.0	19.0	349,270	0.13	82,428	23.6	351,415	341,284	0.10	97
Toaster Pastries	244,781	233,409	0.07	95	23.6	23.7	170,388	0.06	45,664	26.8	198,043	188,689	0.06	95
CANDY & CHEWING GUM	11,344,110	3,883,510	1.12	34	3.4	2.9	3,010,275	1.11	970,671	32.2	10,966,798	3,774,980	1.11	34
Bar Candy	3,881,937	1,218,633	0.35	31	2.7	2.4					3,778,367	1,190,093	0.35	31
Chocolate	3,115,825	974,619	0.28	31	2.9	2.6					3,028,013	949,921	0.28	31
Non-Chocolate	766,112	244,014	0.07	32	2.1	1.6					750,354	240,172	0.07	32
Packaged Chocolate	320,851	142,580	0.04	44	5.2	5.2	1,948,257		652,666	33.5	305,095	135,562	0.04	44
Chocolate Covered Creams	157,415	71,736	0.02	46	5.2	5.3					149,634	68,125	0.02	46
Chocolate Covered Fruits	90,085	37,555	0.01	42	5.4	5.1					85,470	35,733	0.01	42
Chocolate Covered Nuts	73,350	33,289	0.01	45	4.8	5.0					69,991	31,704	0.01	45
Packaged Candy Covered Chocolate	433,101	228,250	0.07	53	6.5	6.7					406,668	213,918	0.06	53
Bulk Candy	787,656	505,574	0.15	64	0.4	0.6					784,518	502,558	0.15	64
Packaged Soft Candy	138,246	70,681	0.02	51	5.9	5.2					130,544	67,187	0.02	51
Packaged Hard Candy	376,762	203,861	0.06	54	6.3	5.9					354,433	192,503	0.06	54
Hard Roll Candy	160,611	74,491	0.02	46	2.7	2.3					156,388	72,817	0.02	47
Diet Candy, Gum, Mints	30,056	22,078	0.01	73	3.8	3.0					28,956	21,435	0.01	74
Breath Fresheners	274,405	126,518	0.04	46	2.8	2.0	83,502	0.03	31,814	38.1	266,931	124,037	0.04	46
Marshmallows	105,409	93,406	0.03	89	3.9	4.1	63,516	0.02	19,182	30.2	101,452	89,727	0.03	88
Chewing Gum	2,126,004	963,238	0.28	45	1.9	0.0	741,693	0.27	267,009	36.0	2,085,606	942,731	0.28	45
Sugared	1,321,046	597,912	0.17	45	1.3	1.5					1,304,093	589,076	0.17	45
Sugarless	804,958	365,326	0.11	45	3.0	3.3					781,513	353,656	0.10	45
Other Candy	2,709,073	234,199	0.07	9	5.5	5.3	173,307	0.06	59,964	34.6	2,567,842	222,411	0.07	9
CANNED FISH & CANNED SEAFOOD	2,028,881	1,807,553	0.52	89	-5.5	-5.6	1,384,777	0.51	262,805	19.0	2,147,949	1,915,006	0.57	89
Canned Salmon	326,714	242,525	0.07	74	-1.7	-1.6	186,744	0.07	38,843	20.8	332,364	246,468	0.07	74
Canned Sardines	88,188	84,072	0.02	95	-10.2	-10.1	65,576	0.02	14,558	22.2	98,205	93,517	0.03	95
Canned Tuna	1,535,542	1,420,341	0.41	92	-6.3	-6.2	1,093,662	0.40	199,047	18.2	1,638,786	1,514,223	0.45	92
Other Canned Fish & Seafood	78,437	60,616	0.02	77	-0.2	-0.3	38,794	0.01	10,358	26.7	78,594	60,798	0.02	77
CANNED FRUITS	2,049,740	1,780,063	0.51	87	0.1	0.2	1,290,279	0.47	284,154	22.0	2,047,984	1,776,606	0.52	87
Applesauce	338,943	301,029	0.09	89	1.8	1.9	222,762	0.08	54,131	24.3	332,950	295,416	0.09	89
Apricots	35,979	32,331	0.01	90	2.1	2.1	23,601	0.01	5,098	21.6	35,239	31,666	0.01	90
Citrus	58,596	52,027	0.02	89	-4.2	-4.1	39,541	0.01	10,992	27.8	61,165	54,252	0.02	89
Cranberries	119,435	107,438	0.03	90	0.5	0.6	91,322	0.03	17,534	19.2	118,841	106,797	0.03	90
Fruit Cocktail	323,036	278,270	0.08	86	-2.8	-2.7	194,789	0.07	39,542	20.3	332,342	285,991	0.08	86
Peaches	398,355	345,565	0.10	87	-1.5	-1.4	228,073	0.08	48,123	21.1	404,421	350,471	0.10	87
Pears	187,788	159,958	0.05	85	1.3	1.3	126,366	0.05	25,526	20.2	185,378	157,905	0.05	85
Pineapple	242,121	205,587	0.06	85	0.5	0.6	158,302	0.06	37,992	24.0	240,916	204,361	0.06	85
Other Canned Fruits	345,488	297,860	0.09	86	2.6	2.8	205,523	0.08	45,215	22.0	336,733	289,747	0.09	86
CANNED & BOTTLED JUICES & DRINKS¹¹	5,591,349	4,780,664	1.38	86	8.0	7.9	3,282,593	1.21	783,030	23.9	5,179,201	4,432,148	1.31	86
Apple Cider & Juice	1,005,811	936,342	0.27	93	3.8	4.0	674,167	0.25	166,519	24.7	968,989	900,329	0.27	93
Cranberry Juice	369,197	355,267	0.10	96	2.6	2.7	333,951	0.12	75,473	22.6	359,841	345,927	0.10	96
Grape Juice	193,396	179,339	0.05	93	9.2	9.2	141,678	0.05	34,711	24.5	177,103	164,230	0.05	93
Grapefruit Juice	150,081	126,399	0.04	84	4.1	4.2	99,855	0.04	21,669	21.7	144,170	121,304	0.04	84
Nectars	64,514	61,037	0.02	95	6.4	6.4	46,388	0.02	11,458	24.7	60,633	57,365	0.02	95
Orange Juice	102,016	80,958	0.02	79	-4.1	-4.2	61,528	0.02	16,243	26.4	106,378	84,507	0.02	79
Pineapple Juice	94,734	89,159	0.03	94	-1.3	-1.2	66,869	0.02	16,918	25.3	95,982	90,242	0.03	94
Prune Juice	134,554	116,224	0.03	86	-1.0	-1.0	86,006	0.03	19,781	23.0	135,913	117,398	0.03	86
Other Fruit Juices	44,519	34,369	0.01	77	4.2	4.1	26,808	0.01	8,471	31.6	42,724	33,016	0.01	77
Vegetable Juice ¹²	362,068	321,389	0.09	89	-2.2	-2.1	260,325	0.10	54,408	20.9	370,213	328,283	0.10	89
Fruit Drinks	2,014,351	1,729,788	0.50	86	14.9	15.1	1,037,873	0.38	236,635	22.8	1,753,134	1,502,856	0.44	86
Aseptic Juices & Drinks	954,242	666,249	0.19	70	10.4	10.3	373,100	0.14	102,602	27.5	864,350	604,034	0.18	70
Aseptic Juices & Drink Concent.	101,866	84,144	0.02	83	2.1	1.8	74,047	0.03	18,141	24.5	99,770	82,656	0.02	83
CANNED MEATS & SPECIALTY FOODS	1,685,358	1,293,934	0.37	77	-2.9	-3.7	930,543	0.34	208,800	22.4	1,735,631	1,343,518	0.40	77
Beef Hash	102,531	80,987	0.02	79	-7.2	-7.1	59,120	0.02	12,120	20.5	110,485	87,176	0.03	79
Canned Beef	60,173	55,496	0.02	92	-10.1	-10.0	40,512	0.01	9,520	23.5	66,933	61,662	0.02	92
Ham	206,007	179,803	0.05	87	-17.3	-17.1	122,266	0.04	34,357	28.1	249,102	216,892	0.06	87
Lunch Meats	175,155	151,970	0.04	87	-2.9	-2.8	112,458	0.04	16,081	14.3	180,386	156,348	0.05	87
Meat Spreads	84,652	74,448	0.02	88	-4.2	-4.4	55,092	0.02	10,192	18.5	88,363	77,875	0.02	88
Poultry	155,214	144,190	0.04	93	-4.1	-4.0	96,607	0.04	15,844	16.4	161,850	150,198	0.04	93
Sausages & Frankfurters	151,556	134,799	0.04	89	-4.9	-5.0	99,751	0.04	25,536	25.6	159,365	141,893	0.04	89
Other Canned Meats	750,071	472,243	0.14	63	4.3	4.6	344,737	0.13	85,150	24.7	719,148	451,475	0.13	63

11. Full strength and concentrated juices, non-carbonated.

12. Chiefly tomato juice and blends.

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ANNUAL CONSUMER EXPENDITURES STUDY

continued

Dry Grocery - Foods

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
(add 000 to all dollar figures)														
CANNED MILK	436,682	392,864	0.11	90	-1.3	-1.5	298,576	0.11	51,355	17.2	442,502	398,872	0.12	90
Condensed Milk	33,289	20,005	0.01	60	9.3	8.7					30,456	18,404	0.01	60
Evaporated Milk	403,393	372,859	0.11	92	-2.1	-2.0					412,046	380,468	0.11	92
CANNED PREPARED FOODS	2,176,788	2,033,787	0.59	93	-1.5	-1.4	1,606,692	0.59	408,591	25.4	2,210,704	2,062,859	0.61	93
Chili	343,866	302,570	0.09	88	-2.8	-2.7	239,030	0.09	44,460	18.6	353,772	310,966	0.09	88
Meat Stew	168,461	151,272	0.04	90	-7.7	-7.5	119,505	0.04	24,977	20.9	182,514	163,538	0.05	90
Mexican Food	804,840	757,112	0.22	94	3.5	3.6	598,118	0.22	176,445	29.5	777,623	730,803	0.22	94
Oriental Food	278,206	267,496	0.08	96	7.3	7.3	211,322	0.08	64,876	30.7	259,278	249,297	0.07	96
Pasta	581,415	555,337	0.16	96	-8.8	-8.7	438,717	0.16	97,834	22.3	637,517	608,256	0.18	95
CANNED & DRY SOUP	3,101,042	2,954,502	0.85	95	4.8	4.8	2,266,331	0.83	566,138	25.0	2,958,017	2,818,834	0.83	95
Canned Soup	2,227,340	2,127,949	0.61	96	3.9	4.0	1,595,961	0.59	400,586	25.1	2,143,208	2,046,216	0.60	95
Condensed Soup	1,526,619	1,457,383	0.42	95	3.8	3.9					1,470,731	1,402,678	0.41	95
Single Strength	700,721	670,566	0.19	96	4.2	4.2					672,477	643,537	0.19	96
Dry Soup Mixes ¹³	774,726	733,992	0.21	95	6.8	6.6	601,874	0.22	149,867	24.9	725,398	688,548	0.20	95
Instant Bouillon & Cubes	98,977	92,561	0.03	94	10.7	10.1	68,495	0.03	15,685	22.9	89,410	84,070	0.02	94
CANNED VEGETABLES	3,672,175	3,258,177	0.94	89	-0.9	-0.8	2,528,178	0.93	562,980	22.3	3,704,672	3,284,185	0.97	89
Asparagus	88,322	78,967	0.02	89	-7.7	-7.8	62,384	0.02	15,471	24.8	95,690	85,647	0.03	90
Beans (Waxed & Green)	439,747	396,884	0.11	90	-3.2	-3.0	289,725	0.11	64,609	22.3	454,284	409,159	0.12	90
Beans with Pork or Sauce ¹⁴	478,129	439,625	0.13	92	1.1	1.3	329,719	0.12	62,976	19.1	472,927	433,984	0.13	92
Beets	80,210	72,004	0.02	90	-2.3	-2.3	57,603	0.02	13,306	23.1	82,098	73,699	0.02	90
Corn	642,877	578,638	0.17	90	-1.2	-1.1	468,696	0.17	113,893	24.3	650,685	585,073	0.17	90
Mushrooms	258,649	231,596	0.07	90	3.8	3.7	182,961	0.07	47,204	25.8	249,180	223,333	0.07	90
Peas	340,352	303,176	0.09	89	-4.1	-4.1	221,318	0.08	53,116	24.0	354,903	316,137	0.09	89
Potatoes	135,128	116,425	0.03	86	7.9	8.0	69,855	0.03	16,276	23.3	125,234	107,801	0.03	86
Sauerkraut	71,174	64,486	0.02	91	-3.9	-4.0	50,299	0.02	11,418	22.7	74,063	67,173	0.02	91
Tomatoes	443,801	385,170	0.11	87	-0.1	0.0	319,691	0.12	74,808	23.4	444,245	385,170	0.11	87
Tomato Sauce	401,912	343,067	0.10	85	0.0	0.1	274,453	0.10	51,597	18.8	401,912	342,724	0.10	85
Tomato Paste	181,873	155,532	0.04	86	-2.2	-2.0	129,091	0.05	22,204	17.2	185,965	158,706	0.05	85
Tomato Puree	59,368	50,370	0.01	85	-3.3	-3.2	42,814	0.02	9,419	22.0	61,394	52,035	0.02	85
Other Canned Vegetables	50,632	42,240	0.01	83	-2.8	-3.0	29,568	0.01	6,682	22.6	52,091	43,546	0.01	84
CONDIMENTS, DRESSINGS, SPREADS														
RELISHES & SAUCES	8,469,900	6,831,083	1.97	81	3.5	3.7	5,311,178	1.95	1,408,223	26.5	8,182,274	6,585,710	1.94	80
CONDIMENTS	2,626,210	2,091,012	0.60	80	3.5	3.5	1,603,028	0.59	436,259	27.2	2,538,573	2,019,443	0.60	80
Barbecue Sauce	495,683	430,049	0.12	87	12.0	11.6	339,739	0.12	77,121	22.7	442,574	385,349	0.11	87
Condiment Sauces	168,706	132,802	0.04	79	6.5	6.3	36,945	0.04	25,884	26.7	158,410	124,931	0.04	79
Flavor Enhancers/Meat Tenderizers	53,617	45,781	0.01	85	-0.1	-0.1	33,878	0.01	7,013	20.7	NC	NC		
Ketchup	625,297	494,398	0.14	79	0.0	0.0	360,910	0.13	105,747	29.3	625,297	494,398	0.15	79
Onion Flakes	50,208	43,749	0.01	87	10.0	10.1	33,249	0.01	8,479	25.5	45,644	39,736	0.01	87
Pepper	259,778	187,483	0.05	72	1.6	1.8	140,613	0.05	34,731	24.7	255,687	184,168	0.05	72
Prepared Mustard	198,561	155,896	0.04	79	2.2	2.3	123,158	0.05	29,435	23.9	194,286	152,391	0.04	78
Salt	148,732	122,949	0.04	83	-1.4	-1.3	92,211	0.03	21,301	23.1	150,844	124,568	0.04	83
Spices	625,627	477,905	0.14	76	2.2	2.1	382,324	0.14	126,549	33.1	612,159	468,075	0.14	76
DRESSINGS, SPREADS	2,620,903	2,209,483	0.64	84	4.2	4.3	1,761,381	0.65	432,779	24.6	2,516,148	2,118,202	0.63	84
Pourable Salad Dressings	1,039,537	914,617	0.26	88	5.7	5.9	740,840	0.27	202,249	27.3	983,479	863,661	0.25	88
Spoonable Salad Dressings	552,584	484,259	0.14	88	6.4	6.3	401,935	0.15	100,484	25.0	519,346	455,559	0.13	88
Mayonnaise	843,529	676,318	0.20	80	1.5	1.4	507,238	0.19	98,911	19.5	631,063	666,980	0.20	80
Sandwich Spreads	42,292	37,457	0.01	89	-0.2	-0.2	28,092	0.01	6,068	21.6	42,376	37,532	0.01	89
Vinegar	142,962	96,833	0.03	68	2.2	2.5	83,276	0.03	25,066	30.1	139,894	94,471	0.03	68
RELISHES & APPETIZERS	1,450,494	992,905	0.29	68	1.1	1.4	793,507	0.29	225,498	28.4	1,434,664	979,129	0.29	68
Bottled Green Olives	191,785	163,388	0.05	85	0.0	0.0	135,612	0.05	42,718	31.5	191,785	163,388	0.05	85
Canned Ripe Olives	226,238	195,896	0.06	87	2.6	3.7	158,675	0.06	42,684	26.9	220,505	188,906	0.06	86
Pickled Cucumbers	904,122	523,936	0.15	58	1.0	1.1	419,148	0.15	119,038	28.4	895,170	518,235	0.15	58
Tomatoes, Peppers, Relishes & Mixed Pickles	128,349	109,686	0.03	85	0.9	1.0	80,071	0.03	21,059	26.3	127,204	108,600	0.03	85
SPAGHETTI SAUCES	1,772,293	1,537,683	0.44	87	4.7	4.7	1,153,263	0.42	313,687	27.2	1,692,889	1,468,936	0.43	87
Meatless	1,548,101	1,360,221	0.39	80	4.7	4.7					1,478,607	1,299,161	0.38	88
With Meat	196,408	152,882	0.04	78	4.6	4.5					187,771	146,299	0.04	78
With Clams	27,784	24,580	0.01	88	4.8	4.7					26,511	23,476	0.01	89
DESSERTS	696,547	611,394	0.18	88	2.0	2.0	469,690	0.17	103,032	21.9	683,192	599,492	0.18	88
Packaged Gelatin ¹⁵	252,087	230,621	0.07	91	1.5	1.3	179,884	0.07	34,358	19.1	248,361	227,661	0.07	92
Prepared Puddings ¹⁶	324,997	277,335	0.08	85	2.3	2.6	210,775	0.08	50,375	23.9	317,690	270,307	0.08	85
Dried Toppings	14,762	13,925	0.00	94	3.3	3.1	11,001	0.00	2,992	27.2	14,290	13,506	0.00	95
Ice Cream & Dessert Toppings	104,702	89,513	0.03	85	1.8	1.7	68,030	0.02	15,307	22.5	102,850	88,017	0.03	86

13. Includes instant and mixes.

14. Includes baked beans.

15. Both flavored and unflavored.

16. Both instant and other prepared puddings. Includes corn starch, puddings, tapioca and rennet. Includes shelf-stable products.

NC - Not Comparable

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ANNUAL CONSUMER EXPENDITURES STUDY

continued

Dry Grocery - Foods

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
(add 000 to all dollar figures)	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
DRIED FOODS	4,209,857	3,431,932	0.99	82	1.3	1.6	2,562,814	0.94	724,786	28.3	4,157,049	3,377,332	1.00	81
DRIED VEGETABLES & FRUITS	2,494,433	1,855,897	0.54	74	-0.5	-0.4	1,370,545	0.50	389,616	28.4	2,507,039	1,862,719	0.55	74
Dried Beans & Peas	449,192	231,203	0.07	51	9.5	9.3	138,722	0.05	34,264	24.7	496,345	254,910	0.08	51
Fruits	690,520	531,539	0.15	77	-1.5	1.9	414,600	0.15	127,282	30.7	701,282	541,785	0.16	77
Apricots	35,074	24,711	0.01	70	15.1	15.2					30,473	21,450	0.01	70
Dates	34,369	30,280	0.01	88	-18.2	-18.0					42,016	36,927	0.01	88
Figs	11,717	8,436	0.00	72	1.5	1.6					11,544	8,303	0.00	72
Raisins	422,441	325,556	0.09	77	1.2	1.4					427,572	330,178	0.10	77
Plums	165,559	127,142	0.04	77	1.5	1.7					168,080	129,340	0.04	77
Other Dried Fruit ¹⁷	21,360	15,415	0.00	72	1.1	1.1					21,598	15,586	0.00	72
Instant Mashed Potatoes	215,713	206,772	0.06	96	3.1	3.2	153,011	0.06	44,679	29.2	209,227	200,360	0.06	96
Other Instant Potatoes	61,641	57,582	0.02	93	2.3	2.3	42,611	0.02	11,207	26.3	60,255	56,287	0.02	93
Rice	1,077,367	828,801	0.24	77	3.6	2.4	621,601	0.23	172,183	27.7	1,039,930	809,376	0.24	78
OTHER DRIED FOODS	1,715,424	1,576,035	0.45	92	4.0	4.1	1,192,269	0.44	335,170	28.1	1,650,010	1,514,613	0.45	92
Cured Fish	237,605	152,978	0.04	64	2.8	2.9	117,793	0.04	37,576	31.9	231,134	148,666	0.04	64
Dry Gravy Mixes	100,479	96,257	0.03	96	6.2	6.1	70,268	0.03	25,577	36.4	94,613	90,723	0.03	96
Dry Dinner Mixes	1,097,997	1,067,938	0.31	97	4.8	4.8	800,953	0.29	213,855	26.7	1,047,707	1,019,025	0.30	97
Breading Mixes	95,472	80,263	0.02	84	0.3	0.4	58,607	0.02	16,937	28.9	95,740	80,606	0.02	84
Dry Stuffing Mixes	183,870	178,578	0.05	97	1.7	1.7	144,649	0.05	41,225	28.5	180,797	175,593	0.05	97
FATS & SHORTENINGS¹⁸	1,845,366	1,542,060	0.44	84	-2.5	-2.3	1,182,060	0.43	239,257	20.2	1,893,282	1,578,056	0.47	83
Cooking & Salad Oils	1,207,462	996,759	0.29	83	-1.2	-1.1	797,407	0.29	177,024	22.2	1,222,127	1,007,845	0.30	82
Lard	68,680	29,095	0.01	42	12.3	12.4	21,239	0.01	3,356	15.8	78,312	33,214	0.01	42
Olive Oil	191,019	180,787	0.05	95	5.1	5.1	131,974	0.05	35,501	26.9	181,750	172,014	0.05	95
Shortening	378,206	335,419	0.10	89	-8.0	-8.1	231,439	0.09	23,375	10.1	411,093	364,983	0.11	89
JAMS, JELLIES, PRESERVES	2,748,991	2,237,920	0.65	81	2.2	2.4	1,538,165	0.57	393,033	25.6	2,688,548	2,185,363	0.64	81
Citrus Marmalade	16,197	13,673	0.00	84	9.3	9.3	722,083	0.27	202,905	28.1	14,819	12,510	0.00	84
Fruit Butter	9,390	8,146	0.00	87	13.3	13.4					8,288	7,184	0.00	87
Jams, Preserves	919,560	790,511	0.23	86	8.1	8.2					850,657	730,601	0.22	86
Jellies	292,414	249,558	0.07	85	3.3	3.4					283,073	241,352	0.07	85
Honey	217,201	153,959	0.04	71	10.0	9.1	110,850	0.04	30,040	27.1	197,455	141,117	0.04	71
Peanut Butter	1,294,230	1,022,074	0.29	79	-3.0	-2.9	705,231	0.26	160,087	22.7	1,334,257	1,052,600	0.31	79
PASTA	1,984,852	1,424,368	0.41	72	3.4	3.2	1,068,276	0.39	302,322	28.3	1,919,273	1,379,964	0.41	72
Macaroni	687,638	456,614	0.13	66	3.5	3.4					664,385	441,599	0.13	66
Noodles	499,080	370,829	0.11	74	4.8	4.5					476,222	354,860	0.10	75
Spaghetti	798,133	596,925	0.17	75	2.5	2.3					778,667	583,505	0.17	75
PREPARED DRINKS	8,889,526	6,751,529	1.95	76	-5.8	-5.6	4,951,033	1.82	1,125,396	22.7	9,441,794	7,155,648	2.11	76
Cocoa	288,505	260,521	0.08	90	-7.1	-7.0	213,627	0.08	52,766	24.7	310,609	280,171	0.08	90
Unsweetened Cocoa	23,601	17,461	0.01	74	-7.3	-7.2					25,460	18,816	0.01	74
Prepared Swiss Cocoa	264,904	243,060	0.07	92	-7.1	-7.0					285,150	261,355	0.08	92
Coffee	6,168,511	4,276,610	1.23	69	-8.5	-9.0	3,121,925	1.15	688,309		6,740,481	4,698,200	1.39	70
Regular Coffee	4,469,706	3,095,821	0.89	69	-9.2	-9.1	2,259,949	0.83	483,629	21.4	4,922,584	3,405,744	1.01	69
Instant Coffee	1,083,858	1,027,789	0.30	95	-9.9	-9.8	770,842	0.28	175,752	22.8	1,202,950	1,139,456	0.34	95
Whole Bean Coffee	614,947	153,000	0.04	25	-2.5	-2.6	111,690	0.04	26,928	25.9	614,947	153,000	0.05	25
Powdered Drink Mixes ¹⁹	771,435	730,662	0.21	95	4.7	4.8	533,383	0.20	106,677	20.0	736,805	697,197	0.21	95
Dry Milk Powder ²⁰	135,117	127,914	0.04	95	-0.3	-0.3	92,098	0.03	20,630	22.4	135,523	128,299	0.04	95
Prepared Food Drinks	80,807	75,923	0.02	94	-7.0	-7.1	50,109	0.02	11,575	23.1	86,889	81,726	0.02	94
Tea	1,052,832	918,148	0.26	87	0.3	0.0	679,429	0.25	178,111		1,050,037	918,594	0.27	87
Bags & Loose Tea	442,078	395,155	0.11	89	4.6	4.5	308,221	0.11	95,740	30.9	422,637	378,139	0.11	89
Herb Tea	218,737	159,314	0.05	73	6.6	6.9	117,893	0.04	25,347	21.5	205,194	149,031	0.04	73
Ice Tea Mixes	281,677	262,297	0.08	93	-8.4	-8.3	186,231	0.07	41,529	22.3	307,508	286,038	0.08	93
Instant Tea	110,339	101,382	0.03	92	-3.8	-3.8	68,940	0.03	15,994	23.2	114,698	105,386	0.03	92
Breakfast Drinks	129,358	121,984	0.04	94	6.6	6.5	87,828	0.03	20,200	23.0	121,349	114,539	0.03	94
Coffee Creamer	262,962	239,766	0.07	91	1.1	1.2	172,632	0.06	47,128	27.3	260,100	236,923	0.07	91
SNACKS	10,205,281	6,612,726	1.91	65	3.4	3.0	4,322,718	1.59	1,206,518	27.9	9,870,648	6,419,297	1.89	65
Corn Chips	1,523,097	1,142,782	0.33	75	2.4	2.5	777,092	0.29	214,477	27.6	1,487,399	1,114,909	0.33	75
Fruit Rolls & Bars	407,061	343,997	0.10	85	7.5	7.6	213,278	0.08	53,959	25.3	378,661	319,700	0.09	84
Packaged Unpopped Popcorn	903,046	763,759	0.22	85	6.3	6.5	496,443	0.18	149,926	30.2	849,526	717,144	0.21	84
Popped Popcorn	658,304	434,731	0.13	66	-1.9	-4.9	239,102	0.09	72,448	30.3	671,054	457,130	0.13	68
Pork Rinds	309,415	271,371	0.08	88	2.2	2.0	173,677	0.06	53,319	30.7	302,754	266,050	0.08	88
Potato Chips	4,423,242	2,444,066	0.71	55	4.0	3.0	1,588,643	0.58	409,870	25.8	4,253,117	2,372,879	0.70	56
Pretzels	449,031	417,114	0.12	93	10.0	10.3	333,691	0.12	92,766	27.8	408,210	378,163	0.11	93
Snack Nuts ²¹	1,532,085	794,907	0.23	52	0.8	0.2	500,792	0.18	159,752	31.9	1,519,926	793,321	0.23	52

17. Excludes fruit rolls and bars (listed under Snacks).

18. Margarine included with dairy.

19. Excludes "breakfast drinks".

20. Includes chocolate syrup-based drinks, malted milk items and other non-refrigerated items but excludes chocolate syrup.

21. Includes bulk nuts.

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ANNUAL CONSUMER EXPENDITURES STUDY

continued

Dry Grocery - Foods

1991 TOTAL SALES		GROCERY STORE PERFORMANCE				SUPERMARKET PERFORMANCE				1990 PERFORMANCE				
	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91 Total Grocery		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
(add 000 to all dollar figures)														
SOFT DRINKS	20,227,725	12,512,363	3.61	62	2.1	3.7	10,234,514	3.76	2,408,572	23.5	*19,813,796	*12,062,234	3.21	59
Bottled Soft Drinks	14,968,662	7,605,024	2.19	51	1.3	1.4	8,959,239	2,042,706	22.8		**14,774,995	**7,503,334	2.16	50
Diet	1,396,689	1,083,426	0.31	78	2.4	2.3					**1,363,954	**1,059,067	0.26	78
Sugared	13,571,973	6,521,598	1.88	48	1.2	1.2					13,411,041	6,444,267	1.90	48
Canned Soft Drinks	3,563,497	3,320,877	0.96	93	2.2	2.1					**3,488,044	**3,252,616	0.86	94
Diet	1,713,723	1,558,898	0.45	91	3.0	2.9					**1,663,809	**1,514,964	0.34	91
Sugared	1,849,774	1,761,979	0.51	95	1.4	1.4					1,824,235	1,737,652	0.51	95
Bottled Water	695,567	686,463	0.20	99	8.4	8.6	645,275	0.24	179,386	27.8	641,667	632,102	0.19	99
Energy Drinks	999,999	900,000	0.26	90	10.0	10.0	630,000		186,480	29.6	909,090	818,182	ND	ND
SWEETENERS, FLAVORS	2,999,931	2,459,284	0.71	82	0.4	0.2	1,846,532	0.68	405,388	22.0	2,989,243	2,454,366	0.72	82
Flavoring Extracts	179,308	118,881	0.03	66	3.4	3.1	87,972	0.03	25,939		173,459	115,286	0.03	66
Vanilla Extracts	112,617	74,673	0.02	66	6.7	6.2	55,258	0.02	16,191	29.3	105,546	70,313	0.02	67
Other Flavoring Extracts	66,691	44,208	0.01	66	-1.8	-1.7	32,714	0.01	9,749	29.8	67,913	44,972	0.01	66
Marshmallow Cream	12,444	10,983	0.00	88	-3.4	-4.2	7,908	0.00	1,914	24.2	12,882	11,464	0.00	89
Packaged Molasses	28,179	24,413	0.01	87	6.1	6.2	18,066	0.01	4,119	22.8	26,559	22,988	0.01	87
Sugar	1,840,988	1,556,391	0.45	85	-2.0	-2.1	1,151,729	0.42	255,684	22.2	1,878,559	1,589,776	0.47	85
Synthetic Sweeteners	298,913	263,739	0.08	88	2.7	2.8	197,804	0.07	46,484	23.5	291,055	256,555	0.08	88
Table Syrup	640,100	484,877	0.14	76	5.5	5.8	383,053	0.14	71,248	18.6	606,730	458,296	0.14	76
TOTAL DRY GROCERY (Food)	148,933,769	100,597,341	29.03	68	1.0	1.9	74,219,220	27.27	16,940,088	22.8	*147,468,997	*98,703,766	28.73	67
TOTAL FOODS	390,893,132	267,150,225	77.09	68	2.7	3.4	208,667,938	76.66	48,629,175	23.3	*380,767,711	*258,302,217	75.83	68

Dry Grocery - Nonfoods

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91 Total Grocery		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
(add 000 to all dollar figures)														
HOME CANNING SUPPLIES	118,251	94,796	0.03	80	0.5	0.4	78,680	0.03	17,939	22.8	117,632	94,440	0.03	80
Caps, Lids, Bands	68,381	58,377	0.02	85	0.4	0.3					68,108	58,202	0.02	85
Jars	49,871	36,419	0.01	73	0.7	0.5					49,524	36,238	0.01	73
LAUNDRY SUPPLIES	1,729,735	1,599,676	0.46	92	-2.6	-2.6	1,158,779	0.43	245,031	21.1	1,776,585	1,642,527	0.48	92
Bleaches	715,186	668,059	0.19	93	-0.9	-0.9	474,322	0.17	82,058	17.3	721,703	674,407	0.20	93
Chlorine Bleach	313,726	294,984	0.09	94	-3.3	-3.2					324,432	304,735	0.09	94
Non-Chlorine	351,212	327,588	0.09	93	1.6	1.4					345,681	323,065	0.10	93
Dry Bleach	50,248	45,488	0.01	91	-2.6	-2.4	2,957	0.00	683	23.1	51,590	46,607	0.01	90
Bluing	5,092	4,225	0.00	83	0.7	0.6					5,057	4,199	0.00	83
Fabric Softeners	735,673	682,881	0.20	93	-4.9	-4.8					505,332	0.19	121,785	24.1
Soil & Stain Remover	188,470	167,014	0.05	89	2.7	2.8	121,920	0.04	27,920	22.9	183,515	162,465	0.05	89
Laundry Starch ²²	85,313	77,496	0.02	91	-8.0	-7.9	54,248	0.02	12,585	23.2	92,731	84,144	0.02	91
SOAPS & DETERGENTS	6,519,685	5,936,240	1.71	91	-1.3	-1.5	4,538,021	1.67	953,313	21.0	6,603,037	6,028,015	1.78	91
Cleansers (Scouring)	291,304	231,341	0.07	79	1.5	1.6	168,879	0.06	38,673	22.9	286,999	227,698	0.07	79
Laundry Bar Soaps	4,745	3,784	0.00	80	5.1	5.1	2,914	0.00	603	20.7	4,515	3,601	0.00	80
Soap Flakes, Chips, Powders	30,637	29,068	0.01	95	-11.4	-11.3	21,220	0.01	4,393	20.7	34,579	32,772	0.01	95
Liquid Detergents	2,002,065	1,888,352	0.54	94	-4.7	-4.6	1,506,305	0.22	304,680	19.8	2,100,016	1,979,195	0.58	94
Heavy Duty	770,795	725,355	0.21	94	-1.4	-1.0	587,538	0.22	116,332	19.8	781,740	732,682	0.22	94
Other Liquid Detergents ²³	1,231,270	1,162,997	0.34	94	-6.6	-6.7	918,767	0.34	188,347	20.5	1,318,276	1,246,513	0.37	95
Other Detergents	2,660,593	2,547,166	0.74	96	-0.4	-0.3	1,936,038	0.71	359,161	18.6	2,670,839	2,555,650	0.75	96
Dishwashing Compounds	509,696	450,627	0.13	88	0.0	-0.1	351,489	0.13	72,758	20.7	509,696	451,078	0.13	88
Other Dry Low-Sudsing	921,312	882,096	0.25	96	0.1	0.2	661,572	0.24	118,421	17.9	920,392	880,335	0.26	96
Other Dry Detergents	1,229,585	1,214,443	0.35	99	-0.9	-0.8	922,977	0.34	167,982	18.2	1,240,752	1,224,237	0.36	99
Toilet Soaps/Detergents	1,382,668	1,151,435	0.33	83	1.6	0.7	840,547	0.31	227,788	27.1	1,360,598	1,143,346	0.34	84
Bath Detergents	148,015	112,471	0.03	76	5.4	4.2					140,432	107,937	0.03	77
Bath Soaps	359,131	275,261	0.08	77	-3.8	-3.6					373,317	285,540	0.08	76
Deodorant Soaps & Bars	535,418	529,858	0.15	99	-2.2	-2.7	62,119	0.02	18,014	29.0	547,463	544,561	0.16	99
Liquid Soaps	340,104	233,846	0.07	69	13.6	13.9					299,387	205,308	0.06	69
Water Softening Salt	147,673	85,094	0.02	58	1.5	1.6								

22. Includes dry, liquid and spray starch.

23. Includes dishwashing liquids.

* Represents a revision of 1990 figures originally published due to the inclusion of new categories, or a change in category composition.

** Represents a revision in 1990 figures originally published.

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ANNUAL CONSUMER EXPENDITURES STUDY

continued

Dry Grocery - Nonfoods

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Sales	% Grocery to Total	% Change from '90 in Total	% Change in Grocery	Amount Spent in Supermarkets	% of Total Supermarket	Dollar Amount	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Sales	% Grocery to Total
OTHER CLEANERS, & SUPPLIES														
OTHER CLEANERS, & SUPPLIES	3,684,475	2,418,692	0.70	66	-0.6	1.0	1,748,722	0.64	526,387	30.1	3,707,559	2,395,821	0.71	65
All-Purpose Cleaners (Liquid)	836,494	748,605	0.22	89	2.3	2.6	576,426	0.21	146,989	25.5	817,687	729,635	0.22	89
Cellulose Sponges	172,470	116,827	0.03	68	6.5	2.8	82,947	0.03	37,990	45.8	161,943	113,645	0.03	70
Drain Pipe Solvents	34,354	32,085	0.01	93	-2.3	-1.9	25,668	0.01	6,186	24.1	35,163	32,706	0.01	93
Household Ammonia	53,519	36,798	0.01	69	0.8	0.7	26,495	0.01	6,173	23.3	53,094	36,543	0.01	69
Household Brooms	156,231	101,395	0.03	65	-3.1	-2.8	123,243	0.05	53,241	43.2	161,229	104,316	0.03	65
Mops	212,406	122,683	0.04	58	-4.4	-4.1					222,183	127,928	0.04	58
Spot Cleaning Fluid	49,308	20,365	0.01	41	-9.0	-9.2	14,459	0.01	5,061	35.0	54,185	22,428	0.01	41
Household Disinfectants	322,197	247,488	0.07	77	5.2	5.4	178,192	0.07	45,973	25.8	306,365	234,919	0.07	77
Aerosol	254,327	190,627	0.06	75	5.0	5.1					242,216	181,377	0.05	75
Non-Aerosol	67,870	56,861	0.02	84	5.8	6.2					64,149	53,542	0.02	83
Household Deodorizers	389,060	222,604	0.06	57	2.6	2.4	160,275	0.06	46,800	29.2	379,291	217,397	0.06	57
Aerosol, Room	104,437	70,710	0.02	68	-2.8	-2.6					107,446	72,598	0.02	68
Non-Aerosol, Room	284,622	151,894	0.04	53	4.7	4.9					271,846	144,799	0.04	53
Rug Cleaners	102,374	75,415	0.02	74	2.7	2.8	56,561	0.02	17,477	30.9	99,682	73,361	0.02	74
Oven Cleaners	70,739	66,886	0.02	95	10.3	10.4	50,833	0.02	12,708	25.0	64,133	60,585	0.02	94
Steel Wool & Wire Sponges	142,643	132,106	0.04	93	12.2	12.7	93,795	0.03	27,013	28.8	127,133	117,219	0.03	92
Toilet Bowl Cleaners	121,640	105,738	0.03	87	-2.4	-2.1	75,074	0.03	21,171	28.2	124,632	108,006	0.03	87
Vacuum Cleaner Bags	711,037	159,664	0.05	22	-8.4	-8.7	116,555	0.04	56,179	48.2	776,241	174,879	0.05	23
Wall & Floor Cleaners	58,871	51,231	0.01	87	-6.9	-7.0	36,374	0.01	9,421	25.9	63,234	55,087	0.02	87
Window Cleaners	116,709	97,524	0.03	84	-9.2	-8.8	69,242	0.03	17,795	25.7	128,534	106,935	0.03	83
All Other Cleaners ²⁴	134,424	81,276	0.02	60	1.2	1.3	62,582	0.02	16,209	25.9	132,830	80,233	0.02	60
PAPER, PLASTIC, FOIL PRODUCTS														
PAPER, PLASTIC, FOIL PRODUCTS	16,182,100	12,081,788	3.49	75	0.1	-0.9	9,222,014	3.39	1,918,952	20.8	16,167,494	12,189,442	3.60	75
Cleaning/Facial Tissues	1,071,820	913,947	0.26	85	3.0	2.7	795,134	0.29	147,895	18.6	1,040,602	889,919	0.26	86
Coffee Filters	106,881	106,390	0.03	100	4.2	4.2	78,728	0.03	24,170	30.7	102,573	102,102	0.03	100
Disposable Diapers	3,613,356	2,431,470	0.70	67	5.7	5.1	1,726,344	0.63	122,570	7.1	3,418,501	2,313,483	0.68	68
Incontinence Products	1,042,189	115,614	0.03	11	18.5	25.9	92,491	0.03	28,857	31.2	879,485	91,830	0.03	10
Freezer Paper	28,443	24,026	0.01	84	16.0	16.1	17,779	0.01	5,138	28.9	24,520	20,694	0.01	84
Paper Cups ²⁵	443,492	346,311	0.10	78	-3.4	-3.5	294,364	0.11	68,587	23.3	459,101	358,871	0.11	78
Paper Napkins	477,662	439,674	0.13	92	3.1	-2.2	351,739	0.13	96,025	27.3	492,944	449,564	0.13	91
Paper Plates ²⁵	771,964	612,516	0.18	79	-1.2	-1.0	477,762	0.18	76,920	16.1	781,340	618,703	0.18	79
Paper Towels	1,917,428	1,727,336	0.50	90	-2.7	0.0	1,174,589	0.43	295,996	25.2	1,970,635	1,727,336	0.51	88
Pre-Moistened Wipes ²⁶	221,771	173,210	0.05	78	4.8	3.4	128,176	0.05	32,044	25.0	211,614	167,515	0.05	79
Sandwich Bags	8,860	8,167	0.00	92	1.0	1.1	5,962	0.00	817	13.7	8,772	8,078	0.00	92
Toilet Paper	2,891,896	2,701,226	0.78	93	-5.4	-5.7	1,917,870	0.70	485,221	25.3	3,056,973	2,864,502	0.85	94
Waxed Paper	37,017	32,118	0.01	87	-9.6	-9.5	23,767	0.01	5,609	23.6	40,948	35,490	0.01	87
Other Paper Products	124,013	34,836	0.01	28	6.4	6.2	26,127	0.01	6,009	23.0	116,553	32,802	0.01	28
Plastic Cutlery	80,261	66,582	0.02	83	20.6	20.9	43,278	0.02	10,127	23.4	66,552	55,072	0.02	83
Household Aluminum Foil	458,748	409,911	0.12	89	-3.0	-3.3	327,928	0.12	64,274	19.6	472,936	423,899	0.13	90
Disposable Aluminum Cookware	229,834	173,178	0.05	75	-1.1	-0.9	143,738	0.05	38,091	26.5	232,390	174,751	0.05	75
Plastic Bags	2,390,591	1,558,590	0.45	65	-4.5	-4.5	1,449,489	0.53	379,639	26.2	2,502,062	1,632,347	0.48	65
Garbage Disposal	1,734,537	1,016,219	0.29	59	-5.7	-6.2	945,084	0.35	249,502	26.4	1,839,381	1,083,389	0.32	59
Food/Other Bags	656,054	542,371	0.16	83	-1.0	-1.2	504,405	0.19	130,136	25.8	662,681	548,958	0.16	83
Plastic Film Wrap	265,873	206,686	0.06	78	-8.0	-7.1	146,747	0.05	30,964	21.1	288,993	222,482	0.07	77
PESTICIDES & RODENT CONTROL														
PESTICIDES & RODENT CONTROL	698,019	385,562	0.11	55	8.6	5.7	293,027	0.11	101,974	34.8	642,761	364,621	0.11	57
Aerosol	289,758	190,121	0.05	66	2.3	2.1					283,243	186,211	0.05	66
Liquid (Non-Aerosol)	49,524	32,119	0.01	65	1.7	1.6					48,696	31,613	0.01	65
Pastes, Solids, Strips	45,910	31,448	0.01	68	10.2	10.3					41,660	28,511	0.01	68
Personal Insect Repellents	114,735	53,866	0.02	47	19.7	12.8					95,853	47,753	0.01	50
Non-Chemical Pest Control ²⁷	198,092	78,009	0.02	39	14.3	10.6					173,309	70,532	0.02	41
WAXES & POLISHES														
WAXES & POLISHES	357,443	279,873	0.08	78	-3.0	-2.7	194,499	0.07	51,523	26.5	368,607	287,744	0.08	78
Furniture Polish	224,718	175,217	0.05	78	-4.2	-4.0	119,147	0.04	31,932	26.8	234,570	182,518	0.05	78
Buffing Floor Wax	8,077	4,967	0.00	61	-10.4	-10.3	75,352	0.03	19,592	26.0	9,015	5,538	0.00	61
Self-Polishing Floor Wax	124,648	99,689	0.03	80	-0.3	0.0					125,023	99,689	0.03	80
OTHER HOUSEHOLD SUPPLIES														
OTHER HOUSEHOLD SUPPLIES	3,222,080	1,416,367	0.41	44	12.8	6.0	857,484	0.32	312,099	36.4	2,856,270	1,335,744	0.39	47
Charcoal Briquettes	349,637	313,660	0.09	90	0.5	0.6	203,879	0.07	46,484	22.8	347,897	311,789	0.09	90
Charcoal Lighter	113,737	82,003	0.02	72	1.1	1.2	57,402	0.02	15,613	27.2	112,500	81,031	0.02	72
Electric Christmas Bulbs/Sets	327,193	36,114	0.01	11	5.5	5.5	23,474	0.01	10,211	43.5	310,135	34,231	0.01	11
Electric Light Bulbs ²⁸	1,311,902	525,506	0.15	40	4.4	2.5	315,304	0.12	137,472	43.6	1,256,611	512,689	0.15	41
Fireplace Logs	124,607	87,795	0.03	70	3.0	3.3	75,504	0.03	20,084	26.6	120,977	84,990	0.03	70
Household Glue	27,361	3,407	0.00	12	6.0	4.5	2,146	0.00	848	39.5	25,812	3,260	0.00	13
Household Tints & Dyes	56,877	5,175	0.00	9	4.7	4.6	3,002	0.00	1,219	40.6	54,324	4,948	0.00	9
Matches ²⁹	39,280	30,559	0.01	78	3.0	3.1	18,335	0.01	6,876	37.5	38,136	29,640	0.01	78

24. Includes borax and similar products.

25. Includes plastic and other non-paper disposables.

26. Includes baby wipes.

27. Includes rodent, insect and other traps.

28. 200 watt and under, including non-residential use. Grocery store sales are estimated to be 70 percent residential.

29. Includes wooden and book matches.

Dry Grocery - Nonfoods

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
(add 000 to all dollar figures)	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
Shoe Polish	274,575	81,618	0.02	30	6.0	2.5	48,971	0.02	23,261	47.5	259,033	79,627	0.02	31
Gloves	118,867	88,209	0.03	74	-3.0	-2.4	53,808	0.02	22,868	42.5	122,587	90,369	0.03	74
Household Gloves (Cloth)	47,316	18,163	0.01	38	-4.7	-4.6					49,650	19,039	0.01	38
Rubber Gloves	71,551	70,046	0.02	98	-1.9	-1.8					72,937	71,330	0.02	98
Household Cellophane Tape	255,000	51,000	0.01	20	2.0	2.0	33,150				NC	NC		ND
Household Supplies NCE	223,044	111,322	0.03	50	7.1	7.9	55,661	0.02	27,162	48.8	208,258	103,171	0.03	50
PET FOODS³⁰	6,887,959	6,220,830	1.80	90	0.2	-0.3	4,492,408	1.65	875,862	19.5	6,874,203	6,237,718	1.84	91
Canned Pet Food	2,342,534	2,144,344	0.62	92	-0.3	-0.5	1,558,628	0.57	328,890	21.1	2,350,506	2,155,001	0.64	92
Canned Cat Food	1,320,698	1,204,801	0.35	91	-0.6	-0.8	891,552	0.33	196,142	22.0	1,328,670	1,214,517	0.36	91
Canned Dog Food	1,021,836	939,544	0.27	92	0.0	-0.1	667,076	0.25	132,748	19.9	1,021,836	940,484	0.29	92
Dry Pet Food	3,233,042	2,981,612	0.86	92	0.6	0.1	2,116,944	0.78	355,137	16.8	3,215,192	2,978,092	0.88	93
Dry Cat Food	1,005,899	927,898	0.27	92	-0.2	-0.5	658,807	0.24	129,126	19.6	1,007,915	932,560	0.28	93
Dry Dog Food	2,227,143	2,053,714	0.59	92	0.9	0.4	1,458,137	0.54	226,011	15.5	2,207,278	2,045,532	0.60	93
Semi-Moist Pet Food	297,519	256,366	0.07	86	-15.9	-16.3	192,452	0.07	36,923	19.2	353,610	306,128	0.09	87
Semi-Moist Cat Food	157,353	140,457	0.04	89	-18.1	-16.4	99,724	0.04	18,748	18.8	192,128	172,129	0.05	90
Semi-Moist Dog Food	140,166	115,909	0.03	83	-13.2	-13.5	92,727	0.03	18,175	19.6	161,482	133,999	0.04	83
Pet Snacks	454,817	423,613	0.12	93	1.3	0.3	300,765	0.11	69,477	23.1	448,980	422,346	0.12	94
Cat Litter	560,047	414,895	0.12	74	10.7	10.3	323,618	0.12	85,435	26.4	505,915	376,152	0.11	74
TOBACCO PRODUCTS	33,583,064	15,985,398	4.61	48	3.0	1.3	12,031,311	4.42	2,775,876	23.1	32,595,922	15,779,612	4.66	48
Cigarettes	31,825,632	15,393,519	4.44	48	3.0	1.2	11,853,010	4.35	2,738,045	23.1	30,904,073	15,206,206	4.49	49
Filter-Tipped Cigarettes	29,555,944	14,788,088	4.27	48	3.2	1.6					29,608,473	14,555,205	4.30	49
Other Cigarettes	1,269,688	605,431	0.17	48	-2.0	-7.0					1,295,600	651,001	0.19	50
Cigars	646,114	73,978	0.02	11	5.6	4.8	38,468	0.01	7,347	19.1	611,850	70,589	0.02	12
Other Tobacco Products ³¹	1,111,318	517,901	0.15	47	2.9	3.0	139,833	0.05	30,484	21.8	1,079,998	502,816	0.15	47
TOTAL DRY GROCERY (Nonfood)	72,982,811	46,419,221	13.40	64	1.4	0.0	34,614,948	12.72	7,778,957	22.5	71,960,070	46,403,684	13.68	65

Health and Beauty Aids

(add 000 to all dollar figures)	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
DIET AIDS³²	545,425	350,555	0.10	64.27	-12.2	-9.2	238,377	0.09	67,699	28.4	621,495	386,254	0.11	62
Diet Supplements	116,417	85,442	0.02	73.39	-24.4	-17.8					153,990	103,944	0.03	67
Metered Calorie Meals	264,623	221,336	0.06	83.64	-7.3	-5.6					285,462	234,467	0.07	82
Reducing Preparations	164,385	43,777	0.01	26.63	-9.7	-8.5					182,043	47,844	0.01	26
COSMETICS	5,845,087	722,225	0.21	12.36	3.0	0.9	538,161	0.20	201,411	37.4	5,676,720	716,000	0.21	13
Eye Makeup Products	3,001,678	604,167	0.17	20.13	2.6	0.6	447,084	0.16	167,656	37.5	2,926,402	600,519	0.18	21
Eye Shadow	1,138,478	241,498	0.07	21.21	4.2	1.2					1,092,589	238,635	0.07	22
Eyeliner	295,887	58,059	0.02	19.62	-0.8	-1.1					298,273	58,705	0.02	20
Mascara	1,331,782	259,129	0.07	19.46	2.5	0.9					1,299,300	256,817	0.08	20
Other Eye Prep. & Accessories ³³	235,531	45,481	0.01	19.31	-0.3	-1.9					236,239	46,362	0.01	20
Lipstick (8 Gloss)	1,756,340	62,992	0.02	3.59	4.2	4.5	49,134	0.02	17,983	36.6	1,685,547	60,280	0.02	4
Makeup Bases	886,174	45,733	0.01	5.16	2.3	-0.3	34,757	0.01	13,034	37.5	865,873	45,859	0.01	5
Cake	81,497	4,006	0.00	4.92	1.8	-0.6					80,056	4,031	0.00	5
Cream	245,425	11,578	0.00	4.72	1.5	-0.1					241,798	11,589	0.00	5
Lotion	559,251	30,149	0.01	5.39	2.8	-0.3					544,019	30,240	0.01	6
Pressed Cake Powder & Blush	200,895	9,332	0.00	4.65	1.0	-0.1	7,186	0.00	2,738	38.1	198,906	9,342	0.00	5
FAMILY PLANNING	750,986	113,461	0.03	15.11	6.8	10.3	102,521	0.04	47,212	46.1	702,898	102,853	0.03	15
Condoms	281,693	54,668	0.02	19.41	5.3	11.9	46,468	0.02	25,278	54.4	267,515	48,854	0.01	18
Female Contraceptives ³⁴	55,437	9,713	0.00	17.52	-8.9	-6.7	8,936	0.00	3,369	37.7	60,853	10,410	0.00	17
Home Pregnancy Tests	413,856	49,081	0.01	11.86	10.5	12.6	47,118	0.02	18,564	39.4	374,530	43,589	0.01	12
FEMININE HYGIENE PRODUCTS	1,932,447	1,182,859	0.34	61.21	1.8	7.2	1,031,676	0.38	294,602	28.6	1,898,447	1,103,369	0.33	58
Douches	71,678	29,782	0.01	41.55	-10.0	-10.1	27,995	0.01	9,518	34.0	71,678	29,782	0.01	42
Sanitary Napkins	1,149,447	752,022	0.22	65.42	-1.6	7.3	706,901	0.26	226,915	32.1	1,168,137	700,860	0.21	60
Tampons	711,322	401,054	0.12	56.38	8.0	7.6	296,780	0.11	58,169	19.6	658,631	372,727	0.11	57

30. Cage-bird food & pet accessories listed under GM.

31. Includes pipe and cigarette tobacco, smokeless products and snuff. Excludes smoking accessories.

32. Does not include frozen foods.

33. Includes false eyelashes, adhesives, brushes, tweezers, etc.

34. Includes sponges and all other non-Kx contraceptives.

NC Not Comparable ND Not Determined
NCE Not Classified Elsewhere

45th

ANNUAL CONSUMER EXPENDITURES STUDY

continued

Health and Beauty Aids

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
(add 000 to all dollar figures)					Total	Grocery								
HAIR PRODUCTS	4,869,437	1,877,584	0.54	38.56	1.8	2.7	1,685,087	0.62	546,927	32.5	4,781,478	1,828,714	0.54	38
Coloring Preparations	870,687	111,006	0.03	12.75	1.2	4.0	99,906	0.04	25,876	25.9	860,363	106,737	0.03	12
Conditioners & Cream Rinses	541,335	254,423	0.07	47.00	8.5	-6.3	236,613	0.09	61,756	26.1	*541,335	*254,423	0.03	55
Dandruff Rinses	17,316	6,310	0.00	36.44	-6.9	-5.1	5,869	0.00	1,655	28.2	18,599	6,649	0.00	36
Men's Hair Dressing	87,143	43,003	0.01	49.35	2.4	-6.0	39,563	0.01	12,977	32.8	*85,100	*45,748	0.01	54
Shampoos	1,503,125	959,818	0.28	63.85	3.2	6.5	892,631	0.33	271,360	30.4	1,457,093	901,113	0.27	62
Baby Shampoo	114,596	65,620	0.02	57.26	10.1	-16.3	202,312	0.07	111,879	55.3	104,084	78,400	0.02	75
Color Shampoo	7,944	2,397	0.00	30.18	-12.0	8.4					9,027	2,212	0.00	24
Medicated Shampoo	382,838	211,151	0.06	55.15	-4.3	-5.5					400,039	223,441	0.07	56
Other Shampoo	997,747	680,649	0.20	68.22	5.7	14.0					943,942	597,061	0.18	63
Hair Accessories	1,083,936	227,317	0.07	20.97	3.6	2.0					1,046,349	222,811	0.07	21
Barrettes	102,651	15,053	0.00	14.66	8.0	3.0					95,047	14,615	0.00	15
Bobby Pins	44,201	11,492	0.00	26.00	-2.1	1.1					45,149	11,367	0.00	25
Combs ³⁵	248,203	26,220	0.01	10.56	4.1	2.3					238,428	25,631	0.01	11
Curlers & Rollers	137,307	27,548	0.01	20.06	0.0	1.0					137,307	27,275	0.01	20
Hair Brushes	386,704	121,735	0.04	31.48	4.3	2.2					370,761	119,114	0.04	32
Hair Nets	41,897	4,627	0.00	11.04	-2.0	1.0	42,752	4,582	0.00	11				
Pin Curl Clips	31,839	10,771	0.00	33.83	-2.1	1.1	32,522	10,654	0.00	33				
Pony Tails	91,134	9,870	0.00	10.83	8.0	3.1	84,383	9,573	0.00	11				
Home Permanent Kits /Refills	132,547	21,903	0.01	16.52	6.8	6.0	19,493	0.01	6,335	32.5	124,107	20,663	0.01	17
Waveset Preparation	66,690	16,878	0.00	25.31	4.3	-5.0	13,672	0.01	4,525	33.1	63,941	17,767	0.01	28
Hair Spray	505,202	221,926	0.06	43.93	-3.1	-6.3	208,610	0.08	61,749	29.6	*521,364	*236,847	0.06	46
Other Hair Dressings	61,457	14,999	0.00	24.41	-2.8	-6.0	11,849	0.00	3,448	29.1	*63,228	*15,956	0.00	25
HEALTH AIDS	1,259,185	572,584	0.17	45.47	1.8	1.1	474,605	0.17	175,375	37.0	1,237,512	566,203	0.17	46
Baby Oils & Lotions	110,771	87,242	0.03	78.76	1.1	-1.5	71,539	0.03	23,250	32.5	109,566	88,571	0.03	81
Baby Pants	62,003	8,299	0.00	13.38	0.7	0.3	6,805	0.00	2,838	41.7	61,572	8,274	0.00	13
Baby Powder	104,255	49,251	0.01	47.24	-0.4	-0.6	40,386	0.01	12,843	31.8	104,673	49,548	0.01	47
Cotton Swabs	101,180	62,116	0.02	61.39	0.9	-0.2	50,936	0.02	17,114	33.6	100,278	62,241	0.02	62
Diaper Rash Products	50,447	30,259	0.01	59.98	3.6	5.3	24,812	0.01	8,486	34.2	48,694	28,736	0.01	59
Fever Thermometers	49,195	18,113	0.01	36.82	14.9	16.0	14,853	0.01	5,332	35.9	42,816	15,615	0.00	36
First Aid Products	594,022	267,386	0.08	45.01	1.2	1.3	219,257	0.08	84,852	38.7	587,257	263,892	0.08	45
Adhesive Bandages	234,354	122,957	0.04	52.47	2.1	2.6					229,534	119,841	0.04	52
Adhesive Tapes	80,344	47,847	0.01	59.55	1.0	1.1					79,548	47,326	0.01	59
Cotton Balls	86,695	31,764	0.01	36.64	-0.2	0.0					86,868	31,764	0.01	37
First Aid Kits	44,321	23,316	0.01	52.61	0.6	-1.8					44,056	23,744	0.01	54
Gauze Bandages	53,737	13,310	0.00	24.77	0.8	0.9					53,310	13,191	0.00	25
Gauze Dressings	59,012	13,004	0.00	22.04	0.9	0.7					58,486	12,913	0.00	22
Other First Aid Cotton	35,561	15,189	0.00	42.71	0.3	0.5					35,454	15,113	0.00	43
Nipples & Pacifiers	63,865	22,362	0.01	35.01	5.1	4.3	32,139	0.01	9,874	44.6	60,766	21,440	0.01	35
Nursing Bottles	63,843	9,196	0.00	14.40	3.6	3.1	7,541	0.00	3,401	45.1	61,624	8,920	0.00	14
Disposable Bottle Liners	59,603	18,358	0.01	30.80	-1.1	-3.2	16,339	0.01	7,385	45.2	60,266	18,965	0.01	31
NAIL CARE PRODUCTS³⁶	694,615	129,199	0.04	18.60	7.8	5.4	108,527	0.04	45,364	41.8	644,274	122,552	0.04	19
Manicure Implements	255,585	69,967	0.02	27.38	20.8	15.1	108,527	0.04	45,364	41.8	211,577	60,788	0.02	29
Nail Polish & Enamel	383,498	47,389	0.01	12.36	1.8	-4.1					376,717	49,415	0.01	13
Nail Polish Remover	55,532	11,843	0.00	21.33	-0.8	-4.1					55,979	12,350	0.00	22
ORAL HYGIENE PRODUCTS	3,007,227	1,610,897	0.46	53.57	4.1	2.3	1,400,090	0.51	343,835	24.6	2,889,398	1,575,061	0.46	55
Denture Products	337,232	141,606	0.04	41.99	2.3	3.3	120,365	0.04	34,906	29.0	329,767	137,137	0.04	42
Denture Adhesives	152,933	60,450	0.02	39.53	2.1	5.0	304,934	0.11	74,709	24.5	149,787	57,571	0.02	38
Denture Cleaners	184,299	81,157	0.02	44.04	2.4	2.0					179,979	79,566	0.02	44
Mouthwash & Gargles	654,889	350,499	0.10	53.52	-7.9	-10.5					711,063	391,619	0.12	55
Breath Fresheners ³⁷	27,248	12,882	0.00	47.28	-4.2	-6.1	10,563	0.00	3,771	35.7	28,442	13,719	0.00	48
Toothbrushes	489,458	203,560	0.06	41.59	8.6	27.3	166,919	0.06	37,390	22.4	450,698	159,905	0.05	35
Toothpaste & Powder	1,388,481	861,046	0.25	62.01	9.1	3.0	766,331	0.28	180,854	23.6	1,272,668	835,967	0.25	66
Dental Floss	109,920	41,303	0.01	37.58	13.6	12.5	30,977	0.01	12,205	39.4	96,760	36,714	0.01	38
PACKAGED MEDICATIONS	10,326,715	3,642,536	1.05	35.27	4.5	8.8	2,918,243	1.07	1,087,171	37.3	**9,884,152	**3,347,937	0.98	36
Acne Preparations	238,136	43,652	0.01	18.33	6.3	1.9	36,231	0.01	12,101	33.4	224,022	42,838	0.01	19
Aerosol Antiseptics	105,050	19,292	0.01	18.36	6.9	0.8	104,609		39,124	37.4	98,270	19,138	0.01	19
Athlete's Foot Medications	180,714	40,130	0.01	22.21	20.1	5.0	416,162	0.15	120,271	28.9	150,470	38,219	0.01	25
Burn Remedies	64,287	17,625	0.01	27.42	10.1	8.3					58,389	16,274	0.00	28
External Antiseptics	35,868	7,286	0.00	20.31	4.4	4.2					34,356	6,993	0.00	20
Foot Salves, Ointments	79,235	19,876	0.01	25.08	0.0	5.8					79,235	18,786	0.01	24
Poison Ivy Remedies	76,555	20,327	0.01	26.55	-3.2	5.6					79,086	19,249	0.01	24
Antacids	1,017,921	478,347	0.14	46.99	6.5	7.9					955,659	443,349	0.13	46
Effervescent Antacids	120,518	70,087	0.02	58.15	9.1	8.1					110,466	64,836	0.02	59
Liquid Antacids	427,959	183,597	0.05	42.90	5.6	7.8					405,264	170,313	0.05	42
Powder Antacids	6,082	2,749	0.00	45.20	0.2	0.9					6,070	2,725	0.00	45

35. Includes comb clips.

36. Excludes products for professional use only.

37. Liquids and sprays only.

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ANNUAL CONSUMER EXPENDITURES STUDY

continued

Health and Beauty Aids

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				HYPO PERFORMANCE				
(add 000 to all dollar figures)	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	
					Total	Grocery									
Tablets, Pills, Gum, Lozenges	463,361	221,914	0.06	47.89	6.8	8.0	[	428,462	0.16	116,542	27.2	433,859	205,476	0.06	47
Cold Capsules, Tablets	968,615	522,514	0.15	53.94	11.5	10.5						868,713	472,864	0.14	54
Cough Medications	1,860,965	377,692	0.11	20.30	35.6	38.7						1,372,594	272,402	0.08	20
Cough Drops, Lozenges, Troches	447,319	96,471	0.03	21.57	2.4	0.1						436,908	96,379	0.03	22
Cough Drops	270,858	86,269	0.02	31.85	2.7	0.3						263,737	86,011	0.03	33
Lozenges, Troches	176,461	10,202	0.00	5.78	1.9	-1.6						173,171	10,368	0.00	6
Salves, Ointments ³⁸	61,386	22,543	0.01	36.72	1.6	1.8						60,419	22,144	0.01	37
Syrup, Elixers, Expectorants	604,338	136,614	0.04	22.61	4.2	5.7						579,978	129,247	0.04	22
Other Cough/Cold Remedies ³⁹	300,603	25,593	0.01	8.51	1.8	3.9						295,288	24,632	0.01	8
Nasal Sprays & Drops	198,533	22,958	0.01	11.56	2.8	-3.2						19,744	0.01	6,140	31.1
Analgesics	3,119,373	1,320,096	0.38	42.32	10.9	6.8	1,094,127	0.40	290,863	19.9	2,812,422	1,235,981	0.36	44	
Internal Analgesics	2,762,694	1,203,613	0.35	43.57	11.9	6.9	986,963	0.36	259,571	26.3	2,468,978	1,126,254	0.33	46	
Arthritic	115,924	38,046	0.01	32.82	7.9	8.4					107,437	35,098	0.01	33	
Extra Strength	1,301,000	608,080	0.18	46.74	13.0	7.9					1,151,327	563,559	0.17	49	
Menstrual Pain	66,233	31,287	0.01	47.24	0.7	0.9					65,773	31,008	0.01	47	
Pediatric	103,673	43,415	0.01	41.88	-4.8	-5.5					108,900	45,941	0.01	42	
Regular Strength	858,107	355,433	0.10	41.42	12.6	7.0					762,084	332,180	0.10	44	
Sinus	317,758	127,353	0.04	40.08	16.2	7.5					273,458	118,467	0.03	43	
External Analgesics	356,679	116,483	0.03	32.66	3.9	6.2	107,164	0.04	31,292	29.2	343,443	109,728	0.03	32	
Mouth Analgesics ⁴⁰	212,214	72,000	0.02	33.93	5.3	7.8					201,533	66,790	0.02	33	
Other External Analgesics	144,465	44,483	0.01	30.79	1.8	3.6					141,910	42,938	0.01	30	
Diarrhea Remedies	279,655	166,628	0.05	59.58	17.1	24.6	151,632	0.06	36,998	24.4	238,817	133,730	0.04	56	
Hemorrhoidal Medications	238,529	72,280	0.02	30.30	3.7	3.3	65,774	0.02	17,299	26.3	230,071	69,996	0.02	30	
Hemorrhoidal Suppositories	140,537	43,852	0.01	31.20	5.4	4.3					133,337	42,044	0.01	32	
Hemorrhoidal Ointment	97,992	28,428	0.01	29.01	1.3	1.7					96,734	27,953	0.01	29	
Laxatives	750,549	180,120	0.05	24.00	5.8	5.1	151,301	0.06	43,423	28.7	709,403	171,379	0.05	24	
Eye Lotions, Washes	171,739	84,135	0.02	48.99	8.4	7.4	69,832	0.03	18,017	25.8	158,431	78,338	0.02	49	
Contact Lens Care Products ⁴¹	837,614	204,627	0.06	24.43	-0.7	1.1	165,748	0.06	45,746	27.6	843,519	202,400	0.06	24	
Sleeping Aids (Non-Rx)	103,377	44,953	0.01	43.48	13.6	10.8	35,963	0.01	11,292	31.4	91,001	40,572	0.01	45	
PERSONAL CLEANLINESS PRODUCTS	214,242	49,752	0.01	23.22	2.2	2.3	45,172	0.02	12,984	28.7	209,668	48,638	0.01	23	
Bath Soaps, Tablets, Oils, Bubble Bath	135,325	39,452	0.01	29.15	0.3	1.1	35,902	0.01	10,268	28.6	134,936	39,038	0.01	29	
Bubble Bath	80,598	29,432	0.01	36.52	2.5	2.0					78,632	28,855	0.01	37	
Other Soaps, Oils, Tablets	54,727	10,020	0.00	18.31	-2.8	-1.6					56,303	10,183	0.00	18	
Talcum & Body Powder	78,917	10,300	0.00	13.05	5.6	7.3	9,270	0.00	2,716	29.3	74,732	9,599	0.00	13	
DEODORANTS, ANTIPERSPIRANTS	1,334,409	734,875	0.21	55.07	3.4	2.8	654,038	0.24	173,974	26.6	1,290,372	714,857	0.21	55	
Stick Deodorants	600,732	359,323	0.10	59.81	4.8	4.2					573,218	344,839	0.10	60	
Roll-On Deodorants	346,991	156,243	0.05	45.03	3.8	2.4					334,288	152,581	0.05	46	
Feminine Sprays	7,812	3,891	0.00	49.80	-15.3	-10.8					9,223	4,362	0.00	47	
Other Aerosols	378,873	215,418	0.06	56.86	1.4	1.1					373,642	213,075	0.06	57	
SHAVING PRODUCTS	2,162,187	719,591	0.21	33.28	3.8	3.5	570,699	0.21	181,829	31.9	2,083,493	695,143	0.21	33	
After Shave Lotion	358,975	113,819	0.03	31.71	1.4	0.8	91,056	0.03	30,504	33.5	354,018	112,916	0.03	32	
Depilatories	27,759	9,485	0.00	34.17	-1.2	-4.4	7,588	0.00	2,527	33.3	28,096	9,921	0.00	35	
Pre-Shave Products	26,817	11,433	0.00	42.63	-5.6	-5.1	9,146	0.00	3,000	32.8	28,407	12,047	0.00	42	
Razor Blades	516,242	230,181	0.07	44.59	7.2	5.1	184,145	0.07	54,691	29.7	481,569	219,011	0.06	45	
Razors (Handles)	58,694	19,433	0.01	33.11	2.7	1.9	14,769	0.01	5,199	35.2	57,151	19,070	0.01	33	
Disposable Razors	354,730	194,079	0.06	54.71	6.3	5.0	151,382	0.06	53,135	35.1	333,706	184,837	0.05	55	
Shaving Cream	248,755	104,631	0.03	42.06	1.4	1.9	82,658	0.03	22,979	27.8	245,321	102,680	0.03	42	
Men's Cologne	570,216	36,531	0.01	6.41	2.7	5.4	29,956	0.01	9,795	32.7	555,225	34,659	0.01	6	
SKIN CARE PRODUCTS	2,450,298	573,106	0.17	23.39	5.4	2.8	454,058	0.17	153,658	33.8	2,323,917	557,565	0.16	24	
Face Cream	909,060	171,216	0.05	18.83	8.1	4.0	343,477	0.13	117,469	34.2	840,944	164,631	0.05	20	
Face Lotions & Astringents	151,244	15,797	0.00	10.44	8.0	4.2					140,041	15,160	0.00	11	
Hand & Body Lotions	586,097	222,800	0.06	38.01	0.1	0.0					585,512	222,800	0.07	38	
Hand Creams	39,273	9,061	0.00	23.07	1.0	1.0					38,884	8,972	0.00	23	
Lip Protectors	38,328	12,085	0.00	31.53	-2.4	-0.6	9,064	0.00	3,408	37.6	39,270	12,158	0.00	31	
Liquid Face Cleansers	135,424	36,373	0.01	26.86	10.2	8.3	22,187	0.01	7,078	31.9	122,889	33,585	0.01	27	
Suntan/Sunscreen Products	590,872	105,774	0.03	17.90	6.2	5.5	79,330	0.03	25,703	32.4	556,376	100,259	0.03	18	
VITAMINS & TONICS	1,691,011	656,901	0.19	38.85	3.1	3.4	538,659	0.20	214,386	39.8	1,640,166	635,301	0.19	39	
OTHER HEALTH & BEAUTY AIDS ⁴²	2,736,619	1,758,924	0.51	64.27	5.1	5.3	1,213,657	0.45	373,806	30.8	2,603,824	1,670,393	0.36	47	
TOTAL HEALTH & BEAUTY AIDS (Non-Rx)	39,819,890	14,695,048	4.24	36.90	5.1	7.9	11,973,571	4.40	3,920,235	32.7	*37,887,828	*13,615,363	4.01	36	
PRESCRIPTIONS ⁴³	31,371,162	3,480,916	1.00	11.10	15.1	16.0	3,480,916	1.28	1,827,481	52.5	27,255,571	3,000,790	0.89	11	
TOTAL HBA & PRESCRIPTIONS	71,191,052	18,175,964	5.25	25.53	0.6	0.7	15,454,487	5.68	5,747,716	37.2	*70,743,733	*18,055,879	4.89	25	

38. Excludes analgesics

39. Includes antihistamines and room decongestants.

40. Includes liquids and salves for use on lips and gums

for blisters, teething and tooth pain, and canker sores.

41. Includes solutions, cleaning kits, tablets and cases.

42. Includes vaporizers, humidifiers and other health aid appliances, convalescent aids, home diagnostic tests, women's fragrances, etc.

43. Excludes sales through hospitals.

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ANNUAL CONSUMER EXPENDITURES STUDY

continued

General Merchandise

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE			
(add 000 to all dollar figures)	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91 Grocery		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total
AUDIO & VIDEO	13,442,811	1,462,485	0.42	NC	11.6	9.9	1,038,364	0.38	406,000	39.1	*12,046,108	*1,331,334	0.32	NC
Records,Tapes,Compact Disks ⁴⁴	3,803,124	280,992	0.08	7	5.1	3.6					3,618,577	271,228	0.08	7
Blank Audio Cassettes	555,864	15,673	0.00	3	6.0	5.1					524,400	14,912	0.00	3
Blank Video Cassettes	1,682,299	130,032	0.04	8	2.5	4.9					1,641,268	123,958	0.04	8
Video Cassette Rentals ⁴⁵	7,401,523	845,000	0.24	11	18.2	16.0					**6,261,864	**728,448	0.19	11
Video Cassette Sales	ND	190,788	0.06	NC	ND	57.4					ND	190,788	0.19	NC
AUTO SUPPLIES	2,599,103	757,400	0.22	29	9.5	7.1	666,512	0.24	177,292	26.6	2,374,556	707,088	0.21	30
Antifreeze	784,277	206,803	0.06	26	20.0	16.2					653,564	177,972	0.05	27
Automobile Polish	141,761	66,407	0.02	47	1.9	0.8					139,118	65,880	0.02	47
Automotive Additives	190,741	63,601	0.02	33	2.5	2.1					186,088	62,293	0.02	33
Motor Oil	1,482,324	420,589	0.12	28	6.2	4.9					1,395,785	400,942	0.12	29
ELECTRICAL APPLIANCES ⁴⁶	ND	236,389	0.07	NC	—	-2.3	219,841	0.08	69,470	31.6	ND	241,953	0.07	NC
FLASHLIGHTS & BATTERIES	3,507,375	586,042	0.17	17	1.7	-1.4	521,577	0.19	216,976	41.6	3,447,567	594,136	0.18	17
Batteries	3,099,646	546,026	0.16	18	1.7	-1.6					3,047,833	554,905	0.16	18
Flashlights	407,729	40,016	0.01	10	2.0	2.0					399,734	39,231	0.01	10
GREETING CARDS	5,272,627	702,927	0.20	13	6.7	5.9	681,840	0.25	336,829	49.4	4,941,544	663,765	0.20	13
HARDWARE ⁴⁷	ND	279,613	0.08	NC	—	2.1	271,225	0.10	98,183	36.2	ND	273,862	0.08	NC
HOUSEWARES	5,697,999	1,400,546	0.40	NC	3.2	5.1	2,052,844	0.75	936,097	45.6	**5,522,918	**1,332,759	0.39	NC
Bakeware	1,732,120	155,489	0.04	9	1.1	1.5					1,713,274	153,191	0.05	9
Barbecue Grills	708,594	4,741	0.00	1	2.0	1.0					694,700	4,694	0.00	1
Beverageware	501,565	75,491	0.02	15	5.1	2.2					477,227	73,866	0.02	15
Cutlery	808,153	74,060	0.02	9	7.6	5.1					751,071	70,467	0.02	9
Food Preparation Glassware	561,977	70,919	0.02	13	3.0	-0.9					545,608	71,563	0.02	13
Kitchen Towels	123,860	18,860	0.01	15	10.0	15.0					**112,600	**16,400	0.00	14
Kitchen Utensils/Gadgets	ND	256,017	0.07	NC	—	6.9					ND	239,492	0.07	NC
Microwave Cookware	ND	70,816	0.02	NC	—	2.3					ND	69,224	0.02	NC
Ornamental & Novelty Glassware	194,504	7,842	0.00	4	7.0	2.0					181,780	7,688	0.00	4
Plastic & Rubberware	ND	542,607	0.16	NC	—	7.7					ND	503,614	0.15	NC
Pots & Pans	859,075	82,799	0.02	10	1.6	0.9					845,546	82,060	0.02	10
Tableware	208,151	40,903	0.01	20	3.5	1.5					201,112	40,285	0.01	20
OTHER HOUSEWARES ⁴⁸	ND	715,789	0.21	NC	—	0.0								
PERIODICALS	12,127,401	2,237,993	0.65	18	1.8	6.8	1,812,774	0.67	520,266	28.7	11,918,580	2,095,835	0.62	18
Children's Story Books	618,055	161,252	0.05	26	7.2	7.2					576,444	150,421	0.04	26
Coloring Books	251,654	34,745	0.01	14	4.7	5.6					240,357	32,903	0.01	14
Comics	159,072	43,555	0.01	27	10.2	2.7					148,949	42,410	0.01	29
Magazines ⁴⁹	2,974,238	1,775,361	0.51	60	2.1	3.0					2,913,063	1,643,852	0.49	56
Newspapers ⁵⁰	6,284,689	75,416	0.02	1	2.2	0.0					6,149,402	75,416	0.02	1
Paperback Books	1,839,694	147,664	0.04	8	-2.5	-2.1					1,800,445	150,832	0.04	8
OTHER MERCHANDISE	5,325,787	630,873	0.18	NC	5.1	2.0	482,449	0.18	234,493	47.6	5,067,641	618,648	0.18	NC
Disposable Cigarette Lighters	335,468	138,425	0.04	41	-3.0	-5.0	112,124	0.04	54,044	48.2	345,844	145,710	0.04	42
Garden Seed Packets	123,950	60,898	0.02	49	10.0	0.2	54,809	0.02	28,994	52.9	112,682	60,777	0.02	54
Playing Cards	251,932	40,048	0.01	16	3.1	2.3	23,228	0.01	10,383	44.7	244,357	39,148	0.01	16
Road Salt & Ice Pellets	ND	23,103	0.01	NC	—	3.1	18,713	0.01	7,467	39.9	ND	22,408	0.01	NC
Sewing Notions	1,839,577	72,108	0.02	4	2.9	3.1	59,850	0.02	28,249	47.2	1,787,732	69,940	0.02	4
Shoe Laces	85,261	43,898	0.01	51	7.3	7.1	26,778	0.01	8,649	32.3	79,460	40,988	0.01	52
Sunglasses	2,123,215	165,554	0.05	8	8.6	5.3	127,477	0.05	70,240	55.1	1,955,078	157,222	0.05	8
Vacuum Bottles & Jugs	566,384	86,838	0.03	15	4.4	5.3	69,471	0.03	26,468	38.1	542,488	82,456	0.02	15
Picnic Jugs	180,577	31,212	0.01	17	9.8	10.2					164,460	28,323	0.01	17
Vacuum Bottles	306,569	37,765	0.01	12	1.3	1.6					302,635	37,170	0.01	12
Lunch Boxes	79,238	17,862	0.01	23	5.1	5.3					75,393	16,963	0.01	22
PET ACCESSORIES ⁵¹	1,950,715	512,511	0.15	26	7.8	7.5	497,136	0.18	226,197	45.5	1,808,867	476,784	0.14	26
Cage-Bird Food	54,835	28,838	0.01	53	5.1	3.0					52,174	27,998	0.01	54
Pet Grooming Aids	83,472	16,557	0.00	20	8.1	6.3					77,217	15,576	0.00	20
Feeding Bowls	15,287	4,054	0.00	27	6.5	7.2					14,354	3,782	0.00	26

44. Includes LP's, EP's, 45's, cassettes and CD's.

45. Does not include sales of pre-recorded video cassettes, or rentals of video cassette equipment.

46. Includes all electrical appliances other than health aid appliances. Also includes personal and home electronics.

47. Includes non-electric tools, fasteners, paint supplies (not paint) and wiring devices.

48. Includes bar accessories, plastic items, potholders, oven mitts, etc.

49. Does not include subscription sales.

50. Includes sales from all outlets, including subscription and home delivery.

51. Excludes dog and cat foods and cat litter which are listed under Dry Grocery Nonfood. Includes all other accessories not listed.

— Not Available
ND Not Determined

General Merchandise

1991 TOTAL SALES		GROCERY STORE PERFORMANCE					SUPERMARKET PERFORMANCE				1990 PERFORMANCE				
(add 000 to all dollar figures)	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	% Change from '90 to '91 Total Grocery		Amount Spent in Supermarkets	% of Total Supermarket	Dollar Margin	% Margin	Value of Total Retail Sales (all outlets) ¹	Amount Spent in Grocery Stores ²	% of Total Store	% Grocery to Total	
Flea Collars	245,593	177,496	0.05	72	8.1	8.7	L				227,191	163,290	0.05	72	
Other Pet Accessories	1,551,528	285,566	0.08	18	7.9	7.3					1,437,931	266,138	0.08	19	
PHOTO SUPPLIES & PROCESSING	9,786,184	1,804,608	0.52	18	-0.5	-0.8	[	1,660,240	0.61	371,894	22.4	9,833,102	1,818,305	0.43	15
Film	3,003,898	858,065	0.25	29	-2.4	-3.2						3,077,764	886,431	0.26	29
Processing	5,143,815	835,392	0.24	16	-0.3	1.2						5,159,292	**825,486	0.13	9
Flash Bulbs & Cubes	61,681	15,986	0.00	26	1.6	-0.7						60,710	16,098	0.00	27
Still Cameras ⁵²	1,576,791	95,165	0.03	6	2.7	5.4						1,535,336	90,290	0.03	6
STATIONERY	910,473	180,067	0.05	20	5.2	5.6	[	158,459	0.06	65,126	41.1	865,129	170,438	0.05	20
Looseleaf Fillers	248,111	25,061	0.01	10	6.0	4.6						234,067	23,959	0.01	10
Notebooks	163,677	25,389	0.01	16	7.1	4.1						152,826	24,389	0.01	16
Packaged Paper & Envelopes	119,860	35,691	0.01	30	4.2	6.6						115,029	33,482	0.01	29
Writing Tablets/Pads	378,825	93,924	0.03	25	4.3	6.0						363,207	88,608	0.03	24
TOYS	14,768,059	325,119	0.09	2	3.5	5.0	273,100	0.10	108,967	39.9	14,268,656	309,637	0.09	2	
UNDERWEAR & HOSIERY	6,269,114	1,060,664	0.31	NC	1.3	-0.9	922,680	0.34	409,510	44.4	6,186,143	1,070,124	0.32	NC	
Men's & Boy's Underwear	ND	158,224	0.05	NC	—	9.2	139,237	0.05	50,404	36.2	ND	144,894	0.04	NC	
Men's Hosiery	2,344,261	83,991	0.02	4	-11.3	10.2	71,393	0.03	30,770	43.1	2,106,254	76,217	0.02	4	
Panty Hose/Stockings	3,924,853	818,448	0.24	21	-3.8	-3.6	712,050	0.26	264,171	37.1	4,079,889	849,013	0.25	21	
WRITING IMPLEMENTS	1,159,273	133,907	0.04	12	7.7	8.0	[	129,890	0.05	64,166	49.4	1,076,553	123,995	0.04	12
Ball & Fountain Pens	463,040	60,374	0.02	13	8.2	8.5						427,948	55,644	0.02	13
Ballpoint Refills	57,832	5,015	0.00	9	0.8	0.3						57,373	5,000	0.00	
Broad Tip Markers	122,479	9,509	0.00	8	4.8	5.9						116,870	8,979	0.00	8
Fine Line Porous Pens	364,700	45,778	0.01	13	10.3	9.8						330,643	41,693	0.01	13
Mechanical Pencils	56,212	8,750	0.00	16	2.5	3.0						54,841	8,495	0.00	15
Woodcased Pencils	95,012	4,481	0.00	5	6.9	7.1						88,879	4,184	0.00	5
GENERAL MERCHANDISE NCE ⁵³	ND	1,499,532	0.43	NC	—	8.7						1,484,536	0.55	528,495	35.6
TOTAL GENERAL MERCHANDISE	ND	14,526,465	4.19	NC	—	5.2	12,883,468	4.73	4,769,963	37.0	ND	*13,813,966	3.89	NC	
TOTAL FOODS, NONFOODS	ND	346,271,873	99.93	NC	—	4.0	271,620,841	99.79	66,925,841 ⁺	24.6 ⁺	ND	*333,068,070	98.29	NC	
SALES NCE ⁵⁴	ND	259,127	0.07	NC	—	-95.6	168,433	0.06	59,962	35.6	ND	5,919,432	1.75	NC	
GRAND TOTAL	ND	346,531,000	100.00	NC	—	2.3	271,789,274	99.85	66,985,803	24.6	ND	338,857,000	100.00	NC	

52. Includes disc, cartridge and 35mm still cameras

53. Includes clothing not listed, clocks, watches, scales, garbage cans (metal and rubber), automotive supplies not listed, snow shovels, garden tools and supplies, furniture, etc.

54. Includes sales of items not listed above from all store departments.

— Not available

+ Margin based on total excluding prescriptions.

ND Not determined.

NC Not comparable.

NCE Not classified elsewhere.

Baby Food

Not content to merely crawl along, baby food suppliers are stepping up with new lines of "toddler" foods, combining better nutrition with compelling flavor varieties—and grown-up margins to match.

■ Baby product manufacturers continue to bask in the "echo boom." Thanks to the baby boom generation, the annual U.S. birthrate has leveled off at a hardy four million and is expected to remain there through the end of the decade.

Guaranteed a steady population, suppliers of baby foods and other related products are carving out new, more profitable markets—in an effort to build on the old standards, and extend consumer interest well into the toddler years. In the baby food market, the goal is to offer convenience products that boast the same nutritional value as old-fashioned home cooking.

A wave of intros

Industry-leading Gerber (Fremont, Mich.), has unleashed several product innovations over the past year. Most recently, the company is solidifying its position in the toddler market with a 23-item "category" for 10 to 30-month-olds, called Gerber Graduates. The new line extends Gerber's existing Graduate products with seven finger foods, five finger snacks, several juices and seven microwavable main dishes.

Not only does the Gerber Graduate line address the changing eating habits of the toddler—i.e., the inclusion of finger foods—it also provides more of

the nutrients that are vital to this age group, according to a company spokesperson.

Indeed, nutrition remains the leading consideration in baby product development and marketing. Earth's Best (Middlebury, Vt.) added a new dimension to the baby food industry five years ago with its introduction of organic foods. Since then, the Department of Agriculture (USDA) has conferred official "organic" labeling on Earth's Best products, certifying that the items' ingredients have not been treated with chemicals or pesticides for at least three years.

Premium pays

Michael Rice, vice president of marketing for Earth's Best, noted that the company's appearance on the market nudged the industry toward more premium baby food lines, which incidentally offer retailers better profitability. Since then, Earth's Best's original eight-item roster has swelled to 41, including the recent introduction of eight new dinner and breakfast selections.

Although not yet marketing nationally, the company is carefully building distribution, said Rice, in order to maintain its very loyal following. It has developed a strong presence in some major markets such as San Francisco, he said.

But the big guys have begun moving in on the organic baby food market. In the past year, Beech Nut (St. Louis, Mo.) rolled out its "Special Harvest" line of organic products to a receptive market, according to a company representative, who added that expansion of the line is forthcoming.

In another apparent response to health-conscious parents, Beech Nut celebrated springtime with the introduction of "Baby's First Spring Water." Available in four-packs or in a one-liter bottle, the water contains fluoride, generally believed to be an early key to the development of healthy teeth.

Table Time for toddlers

Beech Nut's attempt to entice the toddler population is its Table Time line, introduced in 1991. The four varieties of dinners for the one to four-year-old crowd contain less salt than traditional baby foods and, like Gerber's Graduates, can be popped into the microwave by parents—or by the sitter or day care center, if need be.

Another recent twist in this arena is the advent of demographic niche market-



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ing, as evidenced by the introduction last year of Gerber's Tropical. Originally geared to the Hispanic market, the assortment features juices, cereals, dinners and desserts made with ingredients popular in that population segment.

According to the company, the products were so well-received this year that Gerber has decided to expand distribution nationally. The ingredients used in the Tropical line—mangoes, papayas, beans and rice, for example—have evidently broadened the appeal of the products beyond the original target group, because of their nutritional value and interesting flavor combinations.

Fraught with flavors

In general, supermarket baby food aisles house an exhaustive array of flavor combinations in virtually every category. Manufacturers' ongoing attempts to refine product lines to suit the pickiest parents has resulted in everything from Gerber's fruit & vegetable juices, which the company hails as the first juices for babies fortified with Vitamin A, to unusual flavor varieties—such as peas and brown rice—that previously were the hallmark of smaller firms, such as Earth's Best.

Baby's Soups, shelf stable juice concentrates and two-ingredient Simple Recipe Dinners, all from Gerber, are now making their way to supermarkets across the country. If this latest wave of new products is any indication, the future holds no let-up in what amounts to a more gourmet-styled product selection for the youngest palates—and higher margins for producers and retailers alike.

Quick change capabilities

The disposable diaper giants are equally determined to make life easier for today's generation of quick-change artists. Both Procter & Gamble (Cincinnati) and Kimberly-Clark (Dallas) are in the throes of introducing an even drier, thinner, and better fitting diaper to the market this year. Procter's Ultra Dry Pam-

pers and Ultra Dry Luvs Phases, and Kimberly-Clark's Huggies UltraTrim diapers all feature new fiber technology that promises to protect youngsters—and their clothing—under the wettest of conditions.

Since its origin in 1961 with Procter's Pampers breakthrough, the disposable diaper market has undergone a continuous series of improvements and variations. Disposables now account for 85 percent of the diaper market and, according to CONSUMER REPORTS, Americans are estimated to buy roughly 16 billion disposables annually, three-quarters of which are either Pampers, Luvs or Huggies.

In the late '80s, gender diapers captured the market's attention as manufacturers trimmed their packages to suit retailer shelf space demands and consumer preferences. In the midst of those innovations, environmentalist pressure against disposables gained momentum, only to subside as consumers came to grips with the biodegradability issue.

A new environment

According to Kimberly-Clark's spokesperson, "The environmental issue is pretty well understood today. Consumers know there's a trade-off with any product." Procter's representative agrees. "There are lots of negatives with cloth diapers too," she remarked, adding the claim that less than two percent of landfill capacity is taken up by disposable diapers.

Still, the latest ultra-dry products are being developed with the environment in mind. Kimberly-Clark's improved Huggies introduction announcement this June emphasized that its new diaper "requires 20 percent less material than a current diaper," noting that source reduction is a key objective of the Environmental Protection Agency.

Kimberly-Clark has also made news with its Pull-Ups disposable training pants, the only such product on the market. According to the company, Pull-Ups continue to attract new buyers

and now constitute a \$300 million market.

Weyerhaeuser Company, the leading manufacturer of private label infant diapers in the U.S. and Canada, proposed an initial public offering this summer for its newly formed company, Paragon Trade Brands. According to Weyerhaeuser, Paragon will take over the company's infant diaper business which includes both quality and economy lines.

In addition to baby food and disposable diapers, such baby care items as pacifiers, playthings

If this latest wave of new products is any indication, the future holds no let-up in what amounts to a more gourmet-styled product selection for the youngest palates—and higher margins for producers and retailers alike.

and breast feeding accessories are showing up in increasing quantity in supermarkets.

Gerber recently introduced a new color-coded product identification system as part of a campaign to promote its baby accessory line. And to cater to what must be the ultimate in upscale upstarts, the company has added pizzazz to its pacifiers and nurser lines with a new Gem Collection of items tinted in jewel colors.

Getting it all

For mothers, the added convenience of picking up a bottle, pacifier, or even a clothing article while shopping for the week's necessities is good news. For supermarkets, this type of product expansion is yet another way of grabbing higher profits in what has traditionally been a slim-margin category.

■ **Maira Madonia**

Bakery

With the penetration of instore bakeries still on the upswing in 1991, sales gains defied the recession's grip. Retailers hope the department will hold its own when new development levels off.

Retailers had good reason to think instore bakery sales would be a casualty of shopper frugality in 1991, with consumers already demonstrating a trade-down tenor heading in ... but the year turned out to be a pleasant surprise.

Unlike the more mature deli department, penetration of instore bakery sections in supermarkets remained on the upswing last year, resulting in some 700 new departments in supermarkets across the country, the biggest yearly development spurt since 1988.

Correspondingly, the volume increase—11.2 percent to a total of \$7.9 billion, according to SUPERMARKET BUSINESS's 1992 CES—was also the department's best in three years.

Better still, a closer analysis of instore bakery performance, as reported in our Bakery Operations Review (see SUPERMARKET BUSINESS, April 1992, page 45), shows that the growth was not *exclusively* the product of more departments.

On a store-by-store basis, 1991 bakery department sales averaged \$7,117 per week, up 7.5 percent from the 1990 average of \$6,617, with the vast majority of operators (88 percent) reporting higher sales. Only six percent of respondents to that survey said their departments lost sales in 1991.

On the merchandise side of the departmental ledger, a proliferation of new, "more healthful"

baked products emerged last year, and most players and observers expect that trend to continue.

"The U.S. Department of Agriculture (USDA) says that the greatest amount of foods consumed should be cereal-type grains," says Mike Jones, vice president of Dawn Foods, Jackson, Mich. As a result, he sees breads, and particularly specialty breads, as playing a growing role in instore bakery merchandising.

To capitalize on what the company hopes will, in fact, be a major trend, Dawn recently introduced a new bread line called "Baker's Advantage." Says Jones, "It's basically a user-friendly line of bread mixes and bases that comes packed with measuring utensils. All a baker has to do is fill the contents of the package to the line located on the measuring utensil and add water if it's a mix, or flour and water if it's a base."

What crust

Roche Bros. Supermarkets, Wellesley Hills, Mass., has also found success with a new crusty bread product called "Chip Block," distributed by Country Home Bakers, Bridgeport, Conn. The product is made from bread dough that has tidbits of meat, cheese, or vegetable cut into it, similar to Italian focaccia. The dough is chopped on a butcher block, in view of department customers, and baked right there.

Roche Bros. offers five varieties of the bread: salami and provolone cheese; mushroom, spinach and cheese; California vegetable (broccoli, cauliflower, and carrots); focaccia (olive oil, Italian seasonings, and grated parmesan cheese), and jalapeno cheese.

The bread, shaped like a flat disk, sells for \$3.49, and Peter Dumas, bakery merchandiser, says sales have been good.

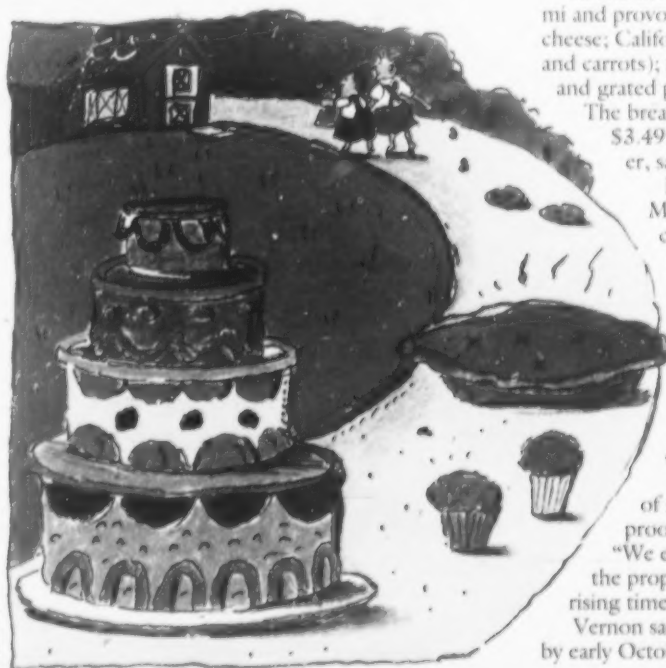
Russ Vernon, owner of West Point Market, Akron, Ohio, has taken the specialty-bread concept one step further by starting the West Point Bread Company. "I visited Washington, D.C., in April, and I saw four bakeries with customers lined up in the streets waiting to get in," Vernon recalls.

The bakeries featured specialty breads, and Vernon knew the concept would go over well with his health-conscious customers.

"We installed about \$35,000 worth of new equipment, including ovens, proofers, and retarders," Vernon notes.

"We even hired a bread chemist who knows the proper sugar and yeast combinations and rising times involved in bread-making."

Vernon says the company will be up and running by early October, and among the specialty breads



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that will be featured are rosemary, sun-dried tomato, country, and various filled breads. "The message we want to send is that bread is healthy and can be a meal by itself," Vernon adds.

Jonathan Warmund, product manager for Fleischmann's Yeast Co., Alameda, Calif., reports that specialty breads are especially popular on the West Coast. Big sellers in California include herb and spice varieties. "A lot of stores have played an important role in at least getting shoppers to taste some of the specialty breads through in-store sam-

ishables merchandising at Farm Fresh Supermarkets, Norfolk, Va., reported that four-inch mini pies did exceptionally well in her stores. She added that packaging two different flavors, such as blueberry and apple or blueberry and cherry, also proved to be an effective merchandising gambit.

Going "topless"

Rich Products, Buffalo, N.Y., rolled out a new line of "topless" pies as part of its cream pie program. "The pies are already baked with cream filling," said Judy Strigle, senior product manager. "Operators merely have to thaw and top them, and that's it." The firm's new line includes coconut, chocolate, lemon, banana, key lime, and peanut butter.

To expand its presence in the in-store bakery segment, and keep abreast of the trend toward convenience offered by frozen products, Pillsbury recently acquired the frozen products division of McGlynn Bakeries, Eden Prairie, Minn.

McGlynn's frozen products include a line of batters, frozen dough, and pre-baked products, including Danish, puff pastry, muffins, and cookies.

"The convenience of having frozen bakery products available gives retailers the opportunity to have consistency every day," says Mike McGlynn, vice president and general manager of in-store and retail bakery. In addition, he emphasized the tremendous labor-saving benefits inherent in frozen products.

McGlynn noted that sales of frozen muffin batter and pre-baked frozen muffins have increased substantially during the past year. "We've already seen double-digit increases in our sales to supermarkets, and we expect the growth to continue," he says.

The company recently rolled out a line of frozen scone mixes, including pineapple, raisin, and lemon-poppy seed.

While some industry observers feel the boom demand for low-fat, low cholesterol, and low-sugar items has leveled off, others feel the types of products worked into bakery assortments in response to those concerns have substantially

improved their appeal.

"For one thing, the trend has definitely brought a lot more traffic into our bakeries," notes Lucy Sposito, bakery-deli merchandiser for Rouse's Supermarket, Thibodaux, La.

Jones of Dawn Foods says angel food cakes have done exceptionally well because of their fat-free content. To enhance variety, the company recently unveiled a new line of flavored angel cakes, including strawberry, orange, chocolate, and lemon. "These are complete mixes," Jones adds. "All you have to do is add water."

But indulgence remains a major motivator of bakery sales. As Rouse's Sposito points out, "the fattening stuff still accounts for our largest sales."

A popular item among Rouse's six stores is tart-a-la-bouille, which is a French custard. "It's used as a cake filling, and it's selling like crazy," Sposito says. Such cake varieties as red velvet, German chocolate, and Oreo delight are also big sellers, she says.

Brownie mail

Vernon of West Point Market says that his store's locally-renowned variety of brownies—which bear such outrageous monickers as killer brownies, chocolate raspberry suicides, peanut butter krazies, and twisted sisters—have been selling like hotcakes. In fact, they've been in such high demand that Vernon has also made them available through a mail-order catalog. "We've received orders from all 50 states, as well as from Denmark, Germany, and Saudi Arabia," he says.

Some retailers have brought the well-known Mrs. Fields lines into their stores. In its Scottsdale, Ariz. store, Smith's Food & Drug Centers, Salt Lake City, recently set up a Mrs. Fields Mini-Cookie Store; a freestanding, portable unit, designed for baking and merchandising Mrs. Fields cookies, brownies, and muffins. The section carries at least eight varieties of cookies and four varieties of both brownies and muffins every day.

■ Richard Petreyck

Sales of frozen muffin batter and pre-baked frozen muffins have increased substantially during the past year. "We've already seen double-digit increases in our sales to supermarkets, and we expect the growth to continue."

pling," he said.

One of those stores is G&G Supermarket, Santa Rosa, Calif. "Sampling has definitely helped our operation," notes co-owner Lee Gong. Among G&G's specialty breads posting sales increases as a result of in-store sampling are seven-grain and wheat with nuts.

Gong also points out that many singles and senior citizens are buying smaller loaves of bread, or what he calls "semi-loaves."

On the sweeter side, the pie sub-category showed significant growth in 1991 thanks to new fruit combinations, special pricing, and downsizing.

Some retailers, such as Tampa, Fla.-based Kash n' Karry, noted substantial sales increases when standard 10-inch pie sizes were scrapped in favor of smaller and lower-priced eight-inch sizes.

Ann Pinchera, director of per-

Beer & Wine

It's a brew-tal battle out there, as beer marketers strive to restart a category that went flat in 1991, thanks to tax increases, the Gulf War, and recession.

■ For the beer industry, it was a year that will live in infamy. In grocery stores, beer sales were up 1.3 percent in dollars, thanks in large part to a 3.5-percent price rise. But U.S. brewers were down five million barrels...every one of which is worth some \$180 at retail.

Overall, the U.S. beer market dropped a painful 2.4 percent, to 188.5 million barrels, according to Impact's U.S. beer study.

What happened? Several things. The year started with a doubling of the excise tax. Anticipating the increase that took effect January 1, 1991, distributors and retailers stocked up on inventory...a ploy that reflected itself as depressed first-quarter sales.

Even before that, the 1990 Operation Desert Shield build-up of U.S. troops in the Persian Gulf had sent over half a million of beer's key consumer group overseas. By the time the war was over and the troops recalled, some 600,000 had spent nearly a year in the Middle East.

Beer continued to be the target of stepped-up anti-alcohol efforts.

And for the first time, beer proved not to be recession-proof. Premium beers went flat. Sales of pricey imports plummeted. Meanwhile, "popular"—which is to say, lower-priced—brands made significant sales gains.

Even the "King of Beers," Anheuser-Busch's

Budweiser, suffered the indignity of watching its sales decline 5.2 percent, according to Beer Marketer's Insights. If accurate, this figure was the largest drop in Bud's history. Budweiser's market share dropped less precipitously, off .8 percent to 47.2 million barrels and a 24.2 percent market share.

The only consolation was that Bud's key rival, Miller Lite, was off, too—with a market share of 9.7 percent, its 19 million barrels represented a 4.5 percent decline.

A bright spot was the country's fourth-largest brand, Anheuser's 12.4-million-barrel Bud Light, which posted a 5.1-percent rise in shipments. But suffering from a transfer of marketing dollars to other brands, Bud Dry, introduced with much fanfare several years ago, was off 6.5 percent to 2.9 million barrels.

The Number Three brewer's namesake brand, Coors, fell 19.5 percent to 3.5 million barrels and Number 11 on the charts. Fortunately for the folks in Golden, Colo., the continued growth of their Coors Light, tied for the Number Three slot on the charts with Bud Light, posted a 4.9 percent increase.

This year, under intense pressure and with every share point worth some \$350 million, the brewers were prepared to battle for every increment of advantage. Last month, tension erupted into a court fight over water...specifically, the Virginia water Coors adds to the concentrated brew it ships East.

The battle was joined when Anheuser-Busch launched an advertising campaign attacking Coors for mixing "local water" from Virginia with the Rocky Mountain spring water...the water on which Coors has for years hung its "quality" hat.

Indeed, central to the mystique that developed around Coors in the early Seventies was the Rocky Mountain water that flowed through Golden, Colorado and into its hometown brew.

But without Eastern breweries when it decided to go East, Coors held shipping costs down by transporting a higher-alcohol beer to Virginia in railroad tank cars, where it added water before packaging.

Cleverly, Anheuser-Busch avoided besmirching the Bud name by keeping it out of the negative-ad fray. Instead, Natural Light, currently the 10th largest beer



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brand with a 2.3-percent share, chucked the spear. In commercials featuring a "stamp-out" slash in a circle over a Coors railroad tanker, Anheuser concludes: "So drink the fresh cold Natural Light—and don't be railroaded."

Coors responded by filing suit in early August in Federal District Court in New York City, demanding the ads be stopped on the basis of being false and misleading, and seeking at least \$10 million in damages.

On August 15, Anheuser-Busch filed a countersuit against

August 19, as Federal Judge Michael B. Mukasey ruled that Coors could not stop Anheuser from "hoisting Coors by its own petard."

"Plaintiff has promoted its beers, including Coors Light, as the 'taste of the Rockies' based on use of the water from the Rocky Mountains," he noted, "and had advertised for years that Coors tasted better than other beers because Coors beers are made from Rocky Mountain water."

At presstime, Coors was planning to appeal the ruling. But even if it wins, for Coors it may be a Pyrrhic victory. Industry observers note that the whole sordid affair quite possibly has tarnished the image of Coors Light sufficiently that a whole new positioning and marketing approach may now be required.

The beer/wine industry as a whole, stung by the lingering effects of recession, the excise tax hike and continuing pressure to reduce underage drinking and drunk driving, has stepped up new product introductions in the light and no-alcohol segments especially.

"It's a small but quickly growing part of the business," says a Northeast retailer. "And as long as MADD (Mothers Against Drunk Driving) and local police departments keep up their strong anti-drinking activities and enforcement, it'll continue to grow. You can't go out on a weekend night around here without passing at least one DWI checkpoint. And consumers are responding to that."

But just how much growth potential exists is anyone's guess. While generally embracing the trend, many buyers exhibited caution because of the spate of introductions, their fears of oversaturation and concerns that the trend is still in its early stages.

Most of those gains belonged to nonalcohol leaders Miller, and its Sharp's brand, along with Anheuser-Busch's O'Doul's. But following a spate of non-alcohol introductions this year by all the major brewers, those share figures are likely to change.

"The category may be flat, but we're growing every year," said John Perez, buyer for Johnson's Markets, Los Angeles. "We've found that it takes constant merchandising attention and promotion and we've been doing that especially with 12-packs and suitcases."

Perez noted that many of the Mexican beers are popular in his trade area in addition to those from the major breweries. And, he's seen continued growth in the nonalcohol segment.

"When they first came out, they weren't as popular or as good," he said. "But now they're a lot better."

Price segmentation is also continuing as an issue. Many buyers indicated that while sales in premium beers were flat, the sub-premiums were showing some healthy growth.

"Our customers have become very price conscious and we're finding a lot of folks switching to the less expensive beers and buying the 12-packs or suitcases," said the beer buyer for a Southern chain.

But if the stores were the front lines, the brewers themselves engaged in frenzied introductions, promotions and advertising programs during the past year. And it's showing no signs of letting up.

Anheuser-Busch, which has a controlling lead in market share, is currently rumored to be readying an introduction a new product, possibly a draft entry linked to Budweiser.

If true, that would come on the heels of its other introductions and tests of three new brands. Natural Pilsner was introduced into several states in the Southwest, Midwest and Southeast. It also rolled out Michelob Golden Draft and Michelob Golden Draft Light.

In the meantime, Busch Cold Filtered Light Draft claimed a 45-percent sales gain in supermarkets.

For its part, Miller Brewing is said to be preparing the introduction of yet another nonalcoholic brew to join Sharp's, a market leader in the segment.

The company also continued

The 1990 Operation Desert Shield build-up of U.S. troops in the Persian Gulf sent over half a million of beer's key consumer group overseas. By the time Desert Storm was over and the troops recalled, some 600,000 had spent nearly a year in the hot, dry desert of the Middle East.

Coors seeking to enjoin it from using Rocky Mountain imagery in any of its ads. In court papers filed in Manhattan, the St. Louis-based brewer alleged that Coors's ads are "false." It sought to permanently enjoin Coors from using descriptors such as "Rocky Mountain legend," "fresh from the Rockies taste," and "the right water ... makes a mountain of difference" in advertising for any of its products.

Adding water is a common industry practice that doesn't in fact affect the character of the beer—which is determined by the yeast, barley malt and hops. But by making Rocky Mountain water a marketing issue and then adding water that wasn't, Coors shot itself in the foot, the court ultimately ruled. A temporary restraining order against Anheuser-Busch was lifted on

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to promote Sharp's over the summer with two major tie-ins. An FSI newspaper ad hit 54 million homes, according to the company, along with a consumer sweepstakes and rebates.

Overall, the company tied much of its advertising program to the recently completed Olympics.

During the past year, the firm opened new markets for Miller Reserve and introduced Ultra Lite into several test markets, according to Ron Richards, retail sales director.

And, last May, it introduced

program supported by a variety of point-of-sale materials. Advertising was directed mostly at primetime sports programs, according to the company.

On the premium side of the business, Coors Dry was launched touting its two-step cooling method.

Coors Light continued to receive support from the company's successful "Dancing Can" POS display, featuring a talking can. The program is directed at several themes and sweepstakes during the spring to early fall period.

Stroh breweries also offered a non-alcohol product with the introduction and 20-plus state rollout of Old Milwaukee N.A., according to the company. The brewer also introduced Old Milwaukee Genuine Draft and Old Milwaukee Genuine Draft Light during the year.

Nonalcohol and lighter brews weren't the only beneficiaries of the trends, however. Wines and coolers have also won new popularity among consumers seeking lighter, healthier drinks.

That's often resulted in new combinations incorporating carbonation with fruit juices in both alcohol and nonalcohol drinks. Even traditional wines found popularity in lighter tastes.

"We're seeing an tremendous increases in the popularity of varietals, such as Chardonnay, Cabernet and White Zinfandel,

even though other parts of the wine market are down," noted Toby Lagonegro, president of Elmira Distributors, Elmira, N.Y. "That may be [because of taste or] because consumers believe there are certain compounds in them that are actually healthy for you."

He also noted that more sales were taking place in smaller bottles, an indication of consumers' more cautious approach to drinking.

In the cooler category, a variety of new combinations has been introduced incorporating both alcohol and nonalcohol products. Spritzers and fruit-based drinks, many of which are light or low-calorie, dominate the market. Still others are directed toward a twilight category with as much pull from beer drinkers as from those who prefer wine.

At present, for the beer/wine category as a whole, things are looking up. Premium beers have been showing signs of renewed life, the brewers report. And while they can't advertise it as a health food yet, alcoholic beverage marketers are eager to remind editors of the recent New York Times and "60 Minutes" stories about the heart-healthy benefits of alcohol ... stories that resulted in a 44-percent jolt to supermarket red wine sales in the four-week post-story period.

Last month, tension erupted into a court fight over water...specifically, the Virginia water Coors adds to the concentrated brew it ships to the Eastern seaboard. Suits and counter-suits were filed by Coors and Anheuser in a brew-haha as nasty as any between Clinton and that other Busch ... er, Bush.

Colders 29, at the other end of the market.

"It's a below-premium beer, Richards explained. "Consumers of popular priced beers told us they were looking for a smoother product, and age has a lot to do with smoothness. We use a quick cool process which allows us to quickly chill the beer."

Miller Lite, in the meantime, has now repositioned its advertising to win stronger support from younger consumers.

Miller has also been aggressive in promoting its shelf management "Vertibrand" program to retailers. It features several shelf sets and is customized on the basis of computer generated data.

Coors introduced its first non-alcohol brew during the year, Coors Cutter, and won broad acceptance. The brand debuted in an aggressive instore sampling

1991 TOP 10 BEER BRANDS

RANK	BRAND	VOLUME*	% CHANGE	SHARE
1	Budweiser	47.2	- 5.2%	24.2%
2	Miller Lite	19.0	- 4.5	9.7
3	Coors Light	12.4	+ 4.9	6.4
4	Bud Light	12.4	+ 5.1	6.4
5	Busch	9.8	+ 4.3	5.0
6	Milwaukee's Best	7.1	+ 1.4	3.6
7	Miller Genuine Draft	6.5	+ 10.2	3.3
8	Old Milwaukee	5.9	- 7.8	3.0
9	Miller High Life	5.5	- 14.1	2.8
10	Natural Light	4.5	+ 40.6	2.3

SOURCE: Beer Marketer's Insights

* Millions of barrels

Breakfast Foods

The cooling off of the oat bran craze proved to be no cereal killer, as both "sweet and sugary" and "healthful and nutritious" varieties—and price increases—drove the category's unit and dollar volume.

■ Is the oat bran craze dead? Of course it is. But while the New England Journal of Medicine pulled the plug on both the craze and cereal's double-digit growth rates in early 1990, people lured to cereal seem to be continuing their flake and puff-munching habits.

Sales of ready-to-eat cereal never dipped as oat bran dimmed. In fact, in 1991, supermarkets moved \$5.5 billion worth of the product, according to SUPERMARKET BUSINESS's Consumer Expenditures Study (CES). That's almost \$700 million more than in 1989, at the height of the craze.

Not surprisingly, cold cereal's growth rate did slow down when oat bran lost its miracle food status, from a crisp 14.4 percent in 1989 to a so-so 6.8 percent in 1990. But in 1991, sales accelerated to a 7.1 percent gain, according to CES. And volume is still rising.

"The category seems to be expanding overall," says Claire D'Amour, vice president, corporate communications at Big Y Foods (Springfield, Mass.). "I'm not sure if it's the result of the recession, or dietary concerns. But cereal keeps growing, both for adults and for kids."

While talk of a Saturday morning TV ad ban raised some concerns about sales for pre-sweetened cereals, the ban never materialized, and sales of the sugary stuff haven't soured.

Among adult-targeted cereals, two segments show strength, according to D'Amour: private-label cereals, which nibble away at established brands whenever there's a price increase, and unsweetened, high-fiber, good-for-you cereals, including—you guessed it—oat bran.

Today's craze: couponing

Despite cereal's sustained retail sales strength, most manufacturers seem to be tightening their belts these days, with fewer exciting products or aggressive, brand-building ad campaigns. And in discussing business, manufacturers frequently lament the impact of the recession.

By contrast, if retailers mention the recession at all, it's usually in the context of what's driving the category's growth.

The malaise at the manufacturing level seems stranger still considering their ability to pass along several rounds of price increases in this category since 1990. That sharply contrasts other grocery categories, such as frozen food and canned goods, where price increases are the exception, and roll-backs the rule.

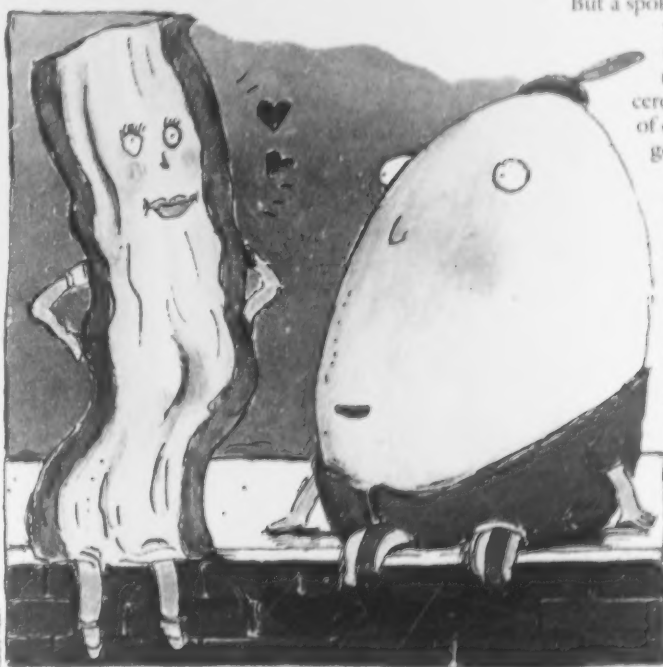
Most manufacturers attribute the most recent price hikes, which raise retail prices by about 10 cents a box, to "higher costs" ranging from labor to manufacturing and shipping.

But a spokesperson for Quaker Oats cited "the very heavy promotional costs that are required to compete in this category right now. Couponing for ready-to-eat cereal is intense right now, with face values of coupons among the highest of any category in the entire grocery industry."

Kellogg Co. (Battle Creek, Mich.) sparked the most recent round of price hikes, with a 3.5 percent increase announced in late May; Kraft General Foods' Post (White Plains, N.Y.) and General Mills (Minneapolis) followed, with hikes of 3.5 and 4 percent. Quaker and Nabisco Brands (Parsippany, N.J.) each announced 4 and 3.8 percent price increases in July.

Retailers, consumers benefit

As the major cereal brands battle for share with high-low artillery, including the use of high-value coupons and jumbo-size, twin-packs offered on deal, consumers and retailers—even those who complain about coupon hassles—benefit by getting a better shake and accelerated movement of goods.



DEBBIE TILLEY

Even if retailers complain about the cost of processing coupons, manufacturers are the ones paying for the face value discounts, which accelerate product movement and keep retail revenues high. And 1991's price hikes also contributed to 1991's 7.1 percent dollar volume gain.

Another benefit for distributors in the current state of cereal affairs, D'Amour notes, is that national brand price hikes "give a boost to private label sales."

Those sales are still small for the category as a whole, but they're showing rapid growth. Private label cereal sales grew 33.4 percent in 1991, according to Information Resources, Inc., with volume closing in on the five percent mark in overall cold cereal share.

Good news or bad?

None of those developments are good news for brand manufacturers, except for the likes of Ralston Purina (St. Louis), which has a high stake in private label cereals. For others, such as market leader Kellogg, "we consider them [private label cereals] major competitors, along with other branded cereals," says a spokesperson. The competitive strategy is similar—to "promote the equity of the Kellogg name, the quality, and all that goes with that," she said.

Like other "equities," brand equity requires a substantial financial investment. Because private-label goods skirt this burden, they will always be able to beat the brands on price—and enjoy gains in share when the economy is soft. And while retail cereal sales are still growing, more couponing means flatter overall growth for manufacturers than the CES figures suggest.

While a headache for manufacturers of branded products, private label cereals fill a key everyday low price role in a category marked by overheated high-low pricing. As the pricing and couponing games intensify, generous private label margins help make cereal one of the most profitable dry grocery categories for operators.

One of the more visible recent

changes in the cereal category is the emergence of top-selling brands in twin packs (double-wide boxes with two separate cereal bags inside) and multi-packs (more than one box, shrink-wrapped together) in a supermarket setting. Both provide retailers with a way to offer leading brands at low unit costs—and to compete with clubs using the same consumer lure.

If twin and multi-packs keep club-prone shoppers in the store, the indirect payoff is sometimes worth the effort to drop small, higher-margin packages in favor of larger, bulkier packs that don't always carry comparable margins. (Even when twin pack margins are smaller, however, retailers have the consolation of higher per-customer totals at the check-out.)

But merchandising challenges remain. If the bigger packs appear in the regular cereal aisle, they give shoppers an opportunity to check the price difference, brand to brand, and trade up. But there are some logistical advantages to separate merchandising locations, particularly for the bigger items offered intermittently on deal.

"We're on the Apollo space management system," says Big Y's D'Amour. While regular in-line items appear on the shelves according to a carefully laid-out plan, twin pack and multi-pack SKU's vary in a more haphazard manner, hinging on "whatever the deal is—there's no formula." For that reason, they appear in sections of the store dedicated to club-sized goods.

Manufacturers limit their twin packs and multi-packs to best-selling brands. Kellogg, which distributes over 45 cold cereals, started packaging its top products in twin packs mostly for warehouse club channels in 1989, according to a spokesperson. Current twin pack items include Kellogg's Corn Flakes, Rice Krispies, Frosted Mini-Wheats, Cracklin' Oat Bran, Frosted Flakes and Froot Loops.

General Mills, meanwhile, offers twin packs of Cheerio's, Honey Nut Cheerio's, Lucky Charms and six other best-sellers,

in addition to the multi-pack promotions it runs on occasion. While most often sold through clubs, a General Mills spokesperson says all of its twin packs are available to supermarkets as well.

But for consumers who are willing to pay a bit more on unit pricing for convenience and variety, General Mills recently introduced its Breakfast Pack, an eight-count pack of one-ounce boxes of top brands—Cheerio's, Wheaties, Lucky Charms, Triples, Honey Nut Cheerio's, Cinnamon Toast Crunch, Raisin Nut Bran and Apple Cinnamon Chee-

One of the more visible recent changes in the cereal category is the emergence of top-selling brands in twin packs (double-wide boxes with two separate cereal bags inside) and multi-packs.

rio's. Smaller box sizes travel well to the campsite or the job, he adds, and multiple box sizes help retailers meet diverse consumer preferences and needs. (The smallest boxes are also available bundled in foodservice packs).

Low-fat focus

Along with convenience, General Mills focuses on the fat and protein trade-offs consumers make with carbohydrates in "The American Breakfast Report," part of a 10-year effort by the company to monitor American nutrition.

Among General Mills' key findings: a big difference in nutrition on "cereal days" and "non-cereal days." Percentages of calories from fat on "cereal days" drop from 35 to 22 percent for kids and from 37 to 20 percent for adults. Of all the sources of sugar in children's diets, more over, cereal accounts for only a slender 3.5 percent share.

But General Mills isn't the

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Candy

Price increases during the recent soft period hampered sales growth, as they usually do in this category. But the really tough issue for supermarkets is discount competition—and how sweet it isn't.

Since the 1984 Olympics, candy manufacturers have gone through hoops to promote their products as an acceptable reward for an active lifestyle. While their efforts haven't led to wild increases in candy consumption, the category has remained a solid performer, with Americans eating about 20 pounds per capita, per year.

Candy consumption usually slips a bit whenever manufacturers try to increase prices. But total dollars continued to edge upward in 1991, although at a slower rate than 1990's 5.1 percent gain. Price hikes and flat tonnage combined for a 2.9 percent increase in sales, according to SUPERMARKET BUSINESS's 1992 Consumer Expenditures Study (CES).

The category's immediate future looks a little brighter than its recent past. This year, a single manufacturer—M&M/Mars (Hackettstown, N.J.)—spent over \$200 million for Olympic-related sponsorship, advertising and promotions.

But if those Olympian efforts and the aggressive marketing tactics of Nestle (Purchase, N.Y.) and others are likely to sustain consumer demand in 1992 and beyond, supermarket retailers can no longer expect to watch sweet profits roll their way from the lazy vantage point of a hammock.

"Last year, a Wal-Mart opened up near one of our stores and ran their snack sizes pretty much at our cost," says Debbie Taylor, candy buyer for the

Jamestown, N.Y.-based Quality Markets division of Penn Traffic Co. (Johnstown, Penn.). Another Wal-Mart is expected to open in the 24-store division's trading area early next year.

In terms of overall store sales, supermarket owners worry less about nonfood-skewed mass merchants such as Wal-Mart and Kmart than the newer, food-oriented warehouse clubs such as Wal-Mart's Sam's Club. But from a candy buyer's perspective, the simultaneous proliferation of the mass merchants can be just as worrisome.

"It's definitely going to change our attitude about pricing," says Taylor of the new Wal-Mart unit. Quality Markets has already stepped up its candy promotions, adding a summer candy carnival and a more aggressive back-to-school promotion to its calendar of events. Holiday promotions, meanwhile, have gotten bigger, bolder and earlier than ever.

Despite the extra efforts, intensifying competition remains "a big problem," Taylor says. And because it's accustomed to candy's traditionally comfortable margins, Quality Markets hopes to counter Wal-Mart's every-day pricing by promoting the "low" ends of its high-low pricing cycle, instead of cutting into the category's high margins on a week-to-week basis.

Needed—more promotions

While many high-low retailers will be pursuing a similar strategy, some manufacturers suggest supermarkets will have to step up their candy promotions even more dramatically if they hope to protect themselves from a serious erosion in category share.

"For gum and candy, unfortunately, the supermarket business ain't where the action is," says Ron Cox, vice president of marketing at Wm. Wrigley Jr. Co. (Chicago). "It's a shame," he says, because with their traffic advantage, supermarket retailers are "walking by an obvious opportunity."

Faced with growing competition from drug chains and mass merchants, supermarkets now get 45 cents of the American candy dollar (SUPERMARKET BUSINESS, March 1992, page 40). That's still more than the percentage snared by mass merchants (21 cents), drug stores (15 cents) and warehouse clubs (3 cents) combined.

But there is evidence that Cox's argument holds water. According to our CES results, supermarket candy growth (2.9 percent) is lagging behind the industry as a whole (3.4 percent.) And with higher operating costs, supermarkets trying to compete on price alone have little chance of winning the battle.



45th

ANNUAL CONSUMER EXPENDITURES STUDY

Candy

With more concerted merchandising, however, price doesn't always have to be the main draw, given the existing supermarket advantage in weekly traffic and convenience.

A case in point: this past summer, Hershey USA (Hershey, Penn.) encouraged retailers to use a S'mores promotion to move six-bar packs of its plain chocolate. Along with a jump in chocolate sales, those retailers who responded moved plenty of private-label marshmallows and graham crackers as well. (Hershey ran a similar promotion pairing its chocolate

The hunger for sweets among kids born in the 1980s is creating demand for products and promotions tailored exclusively to them. But that doesn't mean all of the products will be alien to today's adult boomers.

sauce with ice cream).

Another company spurring sales of both candy and other grocery items is Leaf (Bannockburn, Ill.). It's pairing Whoppers malted milk balls with Hi-C fruit drinks in a back-to-school promotion that started in August. And Leaf will be supporting its Heath Bits and Heath Bits 'O Brickie baking ingredients with an offer for a free 1993 calendar. That promotion, which gets ad support in women's magazines, enables retailers to merchandise their own baking products, such as pie crust or whipped toppings.

E.J. Brach (Chicago) is pushing its confectionery as ingredients for holiday baking and candy wreaths this year. A recipe and craft contest, sweetened with a \$1 refund offer, encourages consumers to double up candy purchases with butter, foil or wrapping paper; winners get new kitchen appliances.

Another nonfood tie-in: Nestle is currently linking classic Milton Bradley games with a back-to-school candy sweep-

stakes called the Great Game Giveaway.

Sports muscle, candy hustle

Just about every candy manufacturer has found it worthwhile to promote sports, music, or both, with sponsorships ranging from M&M/Mars' exclusive, multi-million dollar Olympics contract to the D.L. Clark Co.'s (Pittsburgh) limited-edition wrapper salute to the Stanley Cup winning Pittsburgh Penguins, on the wrappers of its Clark bars.

While M&M/Mars was the only candy maker that could use the Olympic five-ring logo, at least two words, "summer" and "games" were fair game.

"Let the games begin, man," announced a laurel and medal-bedecked Bart Simpson, sports cartoon for Nestle's Butterfinger and Baby Ruth. The game, in this case, was an instant-win wrapper promotion with solid gold, silver and bronze medals valued at \$7,500, \$100 and \$15, respectively. Entrants also received free commemorative Simpsons Summer Games pins.

Nestle's other recent sports promotion was more official, emphasizing its sponsorship of the National Basketball Association (NBA). Specially-marked, gold-wrapped Crunch bars were made with 12 different designs embossed into the chocolate, featuring either the name of a winning team or the league emblem itself.

This Fall, as the new season begins, Nestle bounces back into play with a Sweet Moves promotion, including a sweepstakes offer and free Skybox basketball cards in marked poly bags.

Leaf has been an official sponsor of Major League Baseball since 1988, and supports the National Football League through such products as its United Confections NFL-themed stick and change-maker gum.

Teenagers still lead all other age groups in per-capita candy consumption, and Leaf targets them with this Fall's "Rock the Continent" promotion. Any combination of five candy wrappers, including Leaf's PayDay,

Heath, Zagnut, Zero, Whoppers and Milk Duds brands, are good for cassettes featuring top Polygram Records artists. The promotion also features an instant-win sweepstakes. The top prize: a trip to Europe to see the production of a music video.

The hunger for sweets among kids born in the 1980s—the baby boom's echo—is creating demand for products and promotions tailored exclusively to them. But that doesn't mean all of the products will be alien to today's adult boomers.

At Topps (Brooklyn, N.Y.), new twists include Gummy Fingers and candy containers shaped like Tiny Toons characters and Rollerblade skates. But other hot candy container shapes are more familiar, including Batman and Trolls.

Planters Lifesavers Co. (Winston-Salem, N.C.), a division of the Nabisco Foods Group, targeted kids with its nine-city "Round America Tour, featuring the Five-Flavor Gang mascots—Wacky Wild Cherry, Laughin' Lemon, Loony Lime, Perky Pineapple and Outlandish Orange, who celebrated the brand's 80th year. Along with retail stops, the tours included children's hospitals, where the mascots dropped off \$3,000 donations along with good cheer.

Planters/Lifesavers also encouraged kids to exercise their lungs with its national bubble-blowing competition, the Bubble Yum Super Blowout, a joint-effort with a national video-game arcade chain.

One of the most effective tactics utilized by retailers to cash in on M&M/Mars Olympics visibility was to expand their front-end candy displays, according to Hill.

Gross margins for single bars, Hill noted, are in the 35 to 42 percent range. And with low direct-product costs and high impulse potential, better front end candy merchandising makes a sweet profit center even more appealing.

Rotating racks and spinners at the front end, of course, mean more elbow room for M&M's single-bar line extensions and

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Canned Goods

A decade ago, some thought the future of the grocery department was in microwavable trays, cups and bowls. As it turns out, there's still more business in the can.

■ Sales of microwave ovens surged in the 1980s. But since then, the expected groundswell demand for microwavable, shelf-stable entrees and accompaniments has been more of a "micro" wave, resulting in substantial price-cutting and the shelving of some ambitious product lines by a number of major players.

But despite some disappointment over the development of those "wave of the future" items, the total "non-perishable" food category posted respectable results last year, thanks mainly to the canned segment.

Canned and bottled drinks led the category in growth percentage (7.9 percent) and sales (\$4.78 billion), according to SUPERMARKET BUSINESS's Consumer Expenditures Study (CES).

Canned soup (up four percent, to \$2.13 billion) and spaghetti sauce (up 4.7 percent, to \$1.54 billion) also performed well, and with better margins (25.1 and 27.2 percent, vs. 23.9 percent for juices). But the bigger juice category still led the field in contribution to gross supermarket profits—\$783 million, vs. \$400 million for soup and \$314 million for sauce.

There were a few bright spots in canned prepared foods as well. Oriental items gained 7.3 percent in dollars as Mexican foods advanced 3.6 percent, according to CES. Even with those sales increases, however, the \$2 billion canned prepared foods category still posted a 1.4 percent decline.

Canned vegetables and fruits have combined sales of more than \$5 billion. But those two huge categories also lacked luster. Dollar sales for canned vegetables faltered by 0.8 percent, or \$26 million, to \$3.26 billion. Canned fruit dollars edged up a mere 0.2 percent, or \$14 million, to just over \$1.78 billion.

Canned tuna, meanwhile, suffered a 6.2 percent, \$218 million decline in 1991, to \$1.42 billion. And constant pricing pressure is keeping margins below the 20 percent mark—perilously close to the breakeven point for many retailers.

Microwavable cups moving best

Getting back to the microwavable-package segment, there have, in justice, been successes. "We've seen the best movement on the single-serve microwavable cup items," says Denny Allison, a buyer for 12-store Fulmer Supermarkets (Springfield, Ohio). He credits aggressive, every-day low pricing for "decent" turns.

Tray items, so far, have been a tougher sell, at least in supermarkets. "We're doing very little with those," Allison says. "Sales have been slow." Microwavable vegetable dishes, he adds, "are dead. More and more of the microwavable cups are taking up the void there."

Last Fall, at about the same time that weak demand for its tray items convinced Kraft General Foods to drop its line, Hormel (Austin, Minn.), which pioneered the niche with Top Shelf in 1987, bolstered its presence there with Dinty Moore American Classics.

Unlike Top Shelf, which was launched as a gourmet line, and now is seeing strongest growth through non-grocery discount channels, the Dinty Moore trays (and, since



Canned Goods

June, cups) are positioned as hearty, basic meals.

And while Hormel's 10 Top Shelf items retail in the \$1.89-\$2.69 range, the six Dinty Moore tray items are typically priced near \$1.79. The six Dinty Moore 7.5 ounce cups, introduced in June, retail near \$1.15. (Hormel first put its Dinty Moore brand on a microwavable cup of beef stew in April of 1989.)

Hormel and shelf-stable rivals American Home Products (New York) and Dial launched 10.5-ounce versions of their fastest-

category. Dial has also trimmed and re-positioned its low-calorie segment, launched in 1990 as Light Balance, and re-christened it Light 'n Healthy. Suggested retails for the line, reduced from six to four items, dropped from about \$1.19 to below a dollar.

Like Hormel, Dial is noticing strong sales gains in non-grocery channels. Dial's multi-packs, now appearing in more supermarket club sections and walls of value, include four and six packs which retail for a suggested \$3.29 and \$4.99 respectively.

Libby's Diner, introduced in April 1991 by Nestle USA (Glendale, Calif.) and nationally distributed last Fall, has also been aggressive with its pricing, cutting suggested retails for its 7.5 ounce cups from \$1.09 to an everyday \$.99. That line includes seven continuing flavors and three new back-to-basics varieties that were introduced nationally last month: Macaroni & Cheese, Gravy with Turkey & Dressing, and Beans & Franks.

Canned and bottled juices

Powered by innovative fruit-flavored juice blends, canned and bottled juices and drinks kept expanding in 1991. Since 1988, the fruit drink subcategory's annual sales have grown by \$456 million, to \$1.73 billion.

With shelf-stable juice volume at \$4.8 billion, the fruit drink segment now accounts for 36 percent of the growing category, up from 32 percent in 1988. And 1991's 15.1 percent gain accounted for almost half (up \$226.9 million) of that three-year increase in sales.

Is there room for still more growth? Tropicana (Bradenton, Fla.), which says sales for its Twister lines grew 49 percent last year, to more than \$200 million at retail, is projecting that its new flavor, Cranberry Raspberry Strawberry, will help the brand grow another 20 percent, to more than \$240 million, by 1993.

But retailers have their doubts about the category as a whole. "The market is totally saturated," says Doug Parker, a buyer

for Eastern Shore Markets (Exmore, Va.). "We'll be shuffling the new items in," he says, but Parker doesn't expect to be expanding category shelf space.

With more items available in 64-ounce plastic, Parker adds, SKU clutter within the category is acute. But the bigger plastic bottles do offer some advantages over the standard 48-ounce glass bottles they're replacing, Parker adds—less breakage and a higher-ticket ring at the front end.

As the category matures, manufacturers are turning on each other with increasing ferocity. Ocean Spray (Lakeville, Mass.) gave Tropicana a citrus-scented smack last year with its Ruby Red Grapefruit. This year, Tropicana returns the flavor with Cranberry Raspberry Strawberry Twister, its first entry in the cranberry juice category.

Tropicana estimates cranberry-flavored drinks have total retail sales near \$680 million. The new flavor "opens up a whole new range of possibilities for us to pursue," according to William Pietersen, president of the Seagram Co. subsidiary. Tropicana is backing the new flavor with more marketing support than any other Twister flavor.

Tropicana is also launching its first year-round ad campaign supporting all Twister items. They include the Twister Light sub-line with Nutrasweet and recent citrus-based flavor introductions—Orange Mango, Orange Strawberry Guava and Mandarin Orange Papaya.

As Tropicana dives deeper into the cranberry bog, Ocean Spray is going full steam ahead into the citrus grove. "We plan to use [Ruby Red Grapefruit's] success as the platform for further new product introductions in the citrus area," says John Moreton, division business manager for new products.

Ocean Spray also twists citrus flavors into its three-item Refreshers line, including Citrus Peach, Citrus Cranberry and Orange Cranberry. That line, while targeted to adults, is "still an infant," according to Joan

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Powered by innovative fruit- flavored juice blends, canned and bottled juices and drinks kept expanding in 1991. Since 1988, the fruit drink subcategory's annual sales have grown by \$456 million.

selling 7.5-ounce cups in 1991. But if the larger sizes satisfy heartier appetites and contribute a larger ring at the front end, they haven't had a proportionately big impact in terms of incremental sales.

Hormel's larger Micro Cups include two soups—Chicken Noodle and Bean & Ham—and five entrees—Noodles & Chicken, Scalloped Potatoes & Ham, Lasagna, Chili with Beans and Macaroni & Beef. The 7.5-ounce soups and entrees usually retail in the \$.85-\$1 range; the larger 10.5-ounce bowls typically sell for \$1.45.

Dial put the five top sellers in its 11-item line in bigger microwavable bowls last year. But those sizes remain available only in "limited geographic markets" in the Southeast, according to Rhonda Vroman, brand manager for microwavables.

Dial estimates that total sales of the bigger-bowl segment account for about 10 percent of the microwavable shelf-stable

Deli

Chilled, prepared foods sold from self-service cases are no longer getting the cold shoulder, as operators look to provide quality and convenience while minimizing costs.

Following the torrid onrush of service deli departments in new and remodeled supermarkets through the Eighties, the pace of development slowed somewhat for the second consecutive year, as supermarket deli coverage reached the saturation point in some regions.

With the maturity of many departments, and recent economics, the most noticeable trend of late is the increased emphasis on prepared foods, merchandised from self-service fixtures within the deli department.

"Five or six years ago, shoppers associated prepared foods strictly with a hot-food case," notes consultant Howard Solganik. "That's clearly changed. Nowadays, chilled and prepared foods are no longer perceived as the stepchild of the deli."

Solganik adds that more than 25 percent of supermarkets, including West Point Market, Akron, Ohio, and Randall's Food Markets, Houston, make prepared foods from scratch, while others, such as Roche Bros., Wellesley Hills, Mass., and Ukrop's Supermarkets, Richmond, Va., use off premise commissaries or central kitchens.

On the other hand, many operators are

relying more on foodservice distributors such as Kraft General Foods, Deerfield, Ill. and Sysco to meet their foodservice needs because of the high service levels store delis demand. Randall's and Buckeye Village, an IGA store located in Alliance, Ohio, deal with foodservice distributors because they are less expensive than grocery suppliers, yet offer consistent quality, better packaging, and a wider assortment.

"Ours is a scratch operation, so I have to purchase as if I were a restaurant owner," says Scott Miller, Randall's director of prepared foods. "That relates to packaging, too. Foodservice packaging is designed for the restaurant business in that it allows for longer shelf life. That's what I need and I can't get it anywhere else. Foodservice distributors offer consistency and product quality at a better long-term price."

The majority of supermarkets, however, continue to rely on commercial suppliers for cold and hot prepared entrees and salads.

In fact, some vendors, in response to retailers' needs for eye appeal, product freshness and merchandising aids, have assisted in the planning and implementation of point-of-purchase materials, including posters, nutritional brochures, and recipe ideas. Tyson Food Service, Springdale, Ark., offers serving suggestions and bright signage to help retailers merchandise its fried and pulled & diced chicken as well as meat loaf, Cornish hens, and oven-roasted chickens.

To lend more appeal to chilled, prepared foods, some suppliers, such as Blue Ridge Farms, Brooklyn, N.Y., are merchandising products in clear, microwavable containers. "Sales of microwavable prepared foods are going through the roof in our six stores," notes Lucy Sposito, bakery-deli merchandiser for Rouse's Supermarket, Thibodaux, La. "The packaging gives the products a prettier and larger presentation as opposed to the older pint

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Deli

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and quart-container setups."

Another deli trend that has gained momentum during the past year has been the proliferation of ethnic and regional offerings, including Chinese and Mexican food. A major southwestern retailer has just unveiled barbecue restaurants in some of its stores, and with beef and pork still showing a strong presence in that region of the country, many observers say the concept will spread like wildfire.

To reinforce a regional food-service presence among shop-

pers, many operators have rolled out their own "signature" items, such as Ukrop's bacon-cheddar potato, Schnuck Markets' chicken pot pie, Randall's European pizza, and West Point Market's lasagna.

Signature Items

"We wanted to address the needs of those busy shoppers who simply don't have a lot of time on their hands to prepare meals," notes West Point owner Russ Vernon. "The idea is to trade dollars for convenience."

West Point's lasagnas come in sausage, asparagus, mushroom, seafood, vegetable, and meat varieties. Prices range from \$12 to \$20, and Vernon notes that since introducing the six varieties last year, lasagna sales have doubled.

Ball's Super Food Stores, Kansas City, Kan., carried the convenience concept one step

further when it recently unveiled "The Supreme Court" at one of its Price Choppers (See SUPERMARKET BUSINESS, May 1992, page 53). The court consists of six scaled-down popular restaurants: Chi-Chi's, Bennigan's, Godfather's Pizza, Ricky Shaw's Oriental Express, 5th & Grand Sandwich Stand, and Heartland Winger's Fried Chicken.

The food court area occupies 1,864 square feet and includes a salad bar with seating for 50 people. Co-Opportunities, Inc., Naperville, Ill., which developed the Supreme Court concept and put the purchase together for retailers, currently has commitments or is in the final negotiation stages to open Supreme Courts in eight major metropolitan areas within the next year or so. If all goes according to plan, 20 to 25 will be opened before the end of the year.

While the food court seems to be working for Price Chopper, consultant Solganik cautions that the concept may not be for everybody. "My concern is that a lot of retailers have minimized the value of their own brands," he says. "Individual retail brands can be very valuable, but operators need to be educated about their sales and profit possibilities."

The proliferation of lighter and leaner products, as well as those with reduced salt, continued in the cheese, bulk meat, and self-serve lunch meat area.

As for the cheese category, low-fat Havarti, Brie, and other varieties are pacing the growth in supermarket delis, retailers say. Consumers are also looking for such specialty products as Fromage Blanc, Alpine Lace, Stilton, Jarlsberg Lite and Lappi, as well as health-related selections of Swiss and cheddar.

"Brie is right on top in our store, because it goes great with anything," says Steve Pyle, deli and oriental product manager, Hen House Market, Lenexa, Kan. "It goes great with wine and also with crackers. But Stilton, which is a type of low-sodium blue cheese, is doing well in our store, too. It can be used in almost any recipe, and it crumbles up well.

Plus, it's aged a little bit."

In keeping with the "light" trend, Kraft General Foods, Deerfield, Ill., next month will introduce 22 lines of 50 percent reduced-fat cheeses called Kraft Healthy Favorites. Among selections shoppers can choose from are mild cheddar, chunk, Swiss slices, mozzarella, Monterey Jack, and Colby.

"There's still a growing interest among shoppers in light cheeses that combine great taste and good nutrition," says a Kraft spokesperson. "We pioneered light cheeses a while ago, and we've seen more than a 30 percent growth in them since last year. In fact, reduced fat and fat-free cheeses make up more than 10 percent of our total cheese business. The new line definitely reflects the growing interest among consumers in light cheeses, and we expect the trend to continue."

A spokesman for Oscar Meyer & Co., Madison, Wis., was equally positive about sales of the company's Lower-Salt Baked Ham, which was introduced two years ago. Swift-Eckrich, Downer's Grove, Ill., also reports strong sales of its reduced-fat and/or sodium sliced meats, cheese, and salads.

"A good supermarket deli can't ignore this lean toward nutrition," says Solganik. "Alongside its full-fat mayonnaise based potato salad and macaroni salad, it should have a few — or several — salads and entrees that better meet the current dietary guidelines."

What's more, Solganik feels that creative kitchen staffs for both food manufacturers and individual supermarkets have been proving their talents at developing health-conscious items that also bring the pleasures of good taste.

Delis of many independent supermarkets, as well as those of the larger regional and national chains, are attracting both old and new customers with items whose nutritional profiles lend a contemporary health message and whose taste profiles deliver repeat sales.

■ Richard Petreyck

All operators contacted by Supermarket Business have implemented stronger food safety and training programs, to meet the challenges of a segment of the industry that has grown increasingly complex because of the high perishability of its products.

Dairy

With better margins than margarine, yogurts, juice blends and high-profit specialty items provided the good news in an otherwise flat year for the dairy section.

■ It seems odd for retailers to be as bullish as they are on the dairy category. By the numbers, 1991 was a dismal year. After solid sales gains in recent years (10.6 percent in 1989; 5.7 percent in 1990), the category actually registered a 0.1 percent loss, as total volume held at \$23.7 billion, according to SUPERMARKET BUSINESS's 1992 CES.

Except for a 5.8-percent gain in the durable yogurt category, every major milk-based sub-category posted declines. The losers include almost every type of cheese (down three percent, to \$5.6 billion), as well as fluid milk and related products (down 2.4 percent, to \$8 billion). The CES picture's not any brighter for margarine (down 2.3 percent) or eggs (down 4.9 percent).

For a better glimpse at why retailers are enthusiastic, look beyond dollar sales for traditional dairy case commodities, and to gross margins. Since 1989, a surge in demand for non-traditional dairy case items, from juice blends to specialty foods, has lifted dairy category margins from 21.4 to 23 percent. That performance is all the more remarkable when you consider that margins for fresh milk, a \$7 billion segment, have held steady at about 15.6 percent.

"Refrigerated pasta and sauces, and other ethnic foods, have given the category a real kick," says Stephen Barlow, president of single-store Barlow Foods (Rochester, Minn.), which recently expanded

its dairy department for a second time with another 20 feet of multi-deck casing. About 120 feet of dairy multi-deck cases now surround and flank a coffin case dairy department island measuring 54 linear feet. (After a recent remodeling, the store now totals 78,000 square feet).

"The Contadina pizzas are real strong—they're as strong as frozen pizza, and they're a higher-ticket item," Barlow says. "Every time we feature those, we go through quite a few." Other products expanding into the newly-opened dairy space include chilled juices and drinks, other pasta-type items and ethnic foods, and chilled chowders and other soups, Barlow says.

Room for success

Not every retailer can indulge in more than 170 linear feet of refrigerated dairy case space—and in an expansive array of high-margin items that are only marginally related to milk. But even in the confined urban dairy sections that D'Agostino Supermarkets (Larchmont, N.Y.) maintains in and around New York City, Scott Rzesza, frozen and dairy buyer, finds room for optimism.

"There's a big, big opportunity to win over consumers with value-added private-label products," Rzesza says. The new items, he says, in stark contrast to the "generic, low-end" private-label items of the 1970s and 1980s, have tremendous potential in linking the store's name to premium-quality perishables. Rich-tasting-yet-lean puddings and soups, Rzesza says, are two potential hot-growth dairy segments. He also has high hopes for non-milk dairy items, such as D'Agostino's new premium-quality, private-label calcium-added orange juice.

The dollar declines in fluid milk, and many milk-based products, reflected a drop in prices by nearly 15 cents a gallon during 1991, according to the National Dairy Promotion and Research Board (Rosemont, Ill.). Tonnage, meanwhile, grew 3.5 percent, slightly ahead of the population.

But if per-capita fresh milk consumption is edging upward, few retailers are going to get rich by selling more of the plain white stuff. Along with margins below 16 percent, retailers have



DEBBIE TULEY

Dairy

to contend with a 2.5 - percent decline in dollars for the category despite rising tonnage (and handling costs).

A snapshot of 1991 milk-consumption shows two percent milk leading with a 42 percent share of total tonnage, according to the National Dairy Promotion and Research Board (Rosemont, Ill.). Whole milk follows with 28 percent. Skim milk accounts for 19 percent, and one percent milk has the smallest share, 15 percent. But for five years, one percent and skim have been gaining share as two percent and whole milk decline.

Except for a 5.8-percent gain in the sales of the ever-appealing yogurt group, every major milk-based sub-category experienced volume declines in 1991.

D'Agostino's Rzeska expects the full-fat to lowfat to nonfat trend to continue—and not just for fluid milk. "That's going to be the guiding principle throughout any of the milk-based product categories," he says, particularly for dairy items used in baking.

Blended juices, private label premium products and an endless array of new products (Lipton and Nestea iced tea, for example, from Pepsi and Coke) all intensify the pressure on refrigerated shelf space. But retailers such as Barlow find the increase in sales to be worth the efforts needed to make more room. "Refrigerated juices picked up quite a bit" of his store's recent 20-foot multi-deck expansion, Barlow notes.

Tropicana (Bradenton, Fla.), which is edged out by Coca-Cola Foods' Minute Maid brand (Houston) in the overall orange juice category, is touting its leadership in the not-from-concentrate segment. The brand was recently at 35 percent compared to Minute Maid's 22.2

percent, Citrus Hill's (Procter & Gamble) 7.9 percent and Citrus World's 4.4 percent, according to IRI Infoscan. Significantly, private-label not-from-concentrate juice has the third largest share, with 20.1 percent.

Playing David to Tropicana's Goliath, Vero Beach Groves (Vero Beach, Fla.) claims its Honestly Fresh Squeezed juice has already toppled Tropicana in test markets. Its slingshot: a graphic image of a Tropicana carton under a flaming heat source, with Honestly Fresh Squeezed nearby on a block of ice. The company says its cold-chilling process and elimination of carton air space makes heat pasteurization unnecessary.

Coca-Cola Foods, which recently launched its Nestea ready-to-drink iced tea in refrigerated cartons, is also extending the flavors of its Minute Maid franchise with Berry Punch. The company is also introducing a new gallon container for its fruit punch, lemonade, and citrus punches; retails range from \$2.99 to \$3.29.

Udderly bullet proof

Sustained yogurt gains keep taking retailers by surprise. "I thought growth in that category was over, but it's not," says Barlow. CES numbers show a 5.2-percent gain in 1991, to \$2.3 billion.

The National Yogurt Association, part of the American Frozen Foods Institute (McLean, Va.) will help maintain awareness of products containing live, active cultures with its L.A.C. seal. Aside from a fee for a lab check, manufacturers don't have to pay a bundle to get the seal. And companies don't have to be members of either association to participate.

The seal shouldn't incite the FDA because it merely calls attention to an ingredient.

Dannon, Colombo, Yoplait and La Yogurt, among other brands, will carry the seal, which is expected to boost awareness of the possible benefits live, active cultures have on digestion and the immune system's production of interferon. The latter

"got significant press coverage in the Spring," notes Jim Rowe, an independent consultant who works as marketing director for Johanna Farms' (Flemington, N.J.) La Yogurt brand. "That's helping boost per capita consumption."

Culture for kids

Yogurt makers also strive for a point of distinction from the commodity norm with products targeted for kids. This year, Dannon (White Plains, N.Y.), Yoplait/General Mills (Minneapolis), Light n' Lively/Kraft and Colombo (Andover, Mass.) all unveiled or updated kid-targeted lines.

Dannon Sprinkl'ins, introduced earlier this year, gives kids a smooth, sweet alternative to the tart, chunk-ridden yogurt they've learned to reject. And kids can mix in a packet of colorful sugar sprinkles as well.

While Dannon vice president Bob Wallach says his company has been accused of "junking up a healthy category" by including sprinkles, he says company research indicates that parents are sufficiently intent on getting their kids to eat yogurt that they say "the extra 10 calories of sugar are well worth it."

Along with live, active cultures, calcium gets fresh emphasis this year. A study published in the *New England Journal of Medicine* in July is solidifying awareness of the mineral's benefits for kids. It's not yet as ubiquitous as Vitamin C, and it may seem redundant in dairy-based products, but a wider range of juices are bound to be calcium-fortified.

Procter & Gamble (Cincinnati), which is undergoing a three-year research effort to document the unique absorption benefits of its proprietary calcium formula, called FruitCal, also enriches its Speas Farm Parent's Choice apple and grape juices with the mineral, according to a spokesperson. And D'Agostino is sure to be just the first of a wave of retailers marketing their own private-label calcium-added juice products.

■ FRANK HAMMEL

Frozen Foods

With sales growth slowed by tight spending and item proliferation straining capacity in even the most spacious departments, operators may have to take a cold, hard look at space allocation.

Despite an avalanche of new products, frozen food dollar growth almost stopped cold in 1991. The increase was \$22.6 million, but for a category weighing in at \$16.5 billion, it represented a not-exactly-whopping 0.1 percent gain, according to SUPERMARKET-BUSINESS's 1992 Consumer Expenditures Study (CES).

But if frozen food sales as a whole have the kinetic energy and dynamism of a glacier creeping toward the sea, there's plenty of churning within the category. The big dollar gainers in 1991 include the ice cream sub-category in general and frozen yogurt in particular. Frozen breakfast options have heated up as well, with bagels, waffles and prepared breakfast entrees each scoring sales gains.

Frozen pizza, meanwhile, lurched ahead of the hotly-competitive frozen dinners and entrees category. Despite the best efforts of manufacturers, dinners and entrees suffered a 6 percent, \$140 million decline in sales from 1990 to 1991. Other big losers included frozen fish, shrimp and vegetables, particularly vegetable combinations and sauce.

It's not too surprising that during hard economic times, people are less willing to spend a premium for the convenience of single and double-portion frozen prepared foods. Economic concerns are also responsible for a "back to basics" mentality, with greater consumer interest in lower-cost, tried-and-true food

products. Budget-minded meal planners also undoubtedly noticed frozen pizza's per-serving cost advantage over frozen entrees and pizzeria fare.

But other results were less predictable. Retailers and manufacturers of frozen pizza and ice cream note continued strength in super-premium sub-categories. And private-label vegetable processors, who would seem to benefit from economic malaise, are hit with the double whammy of consumer preference for fresh alternatives and unprecedented pressures on frozen food shelf space.

Cold compress = retail headaches

In their unceasing efforts to fill market niches, manufacturers have created an ever-expanding array of incremental sales-building opportunities—and merchandising headaches—for retailers.

So far, there's no such thing as a frozen analgesic. But retailers can now choose to stock niche products ranging from frozen baby food (Growing Healthy, Eden Prairie, Minn.) to Mamey and Guanabana-flavored ice cream (Goya/Frozen Desserts Resources, Westport, Conn.) to the world's first energy-drink on a stick (FrozFruit/PowerBurst, Gardena, Calif.).

Along with too many niche products and too few freezer-case niches, the major national brand manufacturers keep trying to elbow into more shelf space with line extensions.

"There's a low-fat or no-fat alternative for everything that's out there, doubling up the space we need," notes Bill Michas, president of Many Foods (Whippany, N.J.). Minor modifications of existing products—such as a combination of existing entrees and side dishes—exacerbate the space crunch without a proportional increase in category sales. And new packaging sizes can throw the shelf-keeping puzzle into disarray.

"They no longer fit the section they were given," says Michas of some updated freezer-case lines. Whether or not those efforts are deliberate gambits to boost a brand's shelf space, the new sizes can backfire. Michas notes that in order to get all of the new items into the case, some re-sized boxes have to be stocked with only an edge of each box showing.

They all scream—for space

Demand for freezer space reaches a seasonal peak in late Spring, with a flurry of new frozen novelties. Until refrigeration engineers come up with accordion-style freezers that can expand and contract to meet seasonal demand, however, even the best-



DEBBIE TULEY

Frozen Foods

conceived products will be shut out by limited space.

Genuardi's Supermarkets (Norristown, Pa.), which opened a 37,000 square-foot store in Kimberton, Pa. this past April, made room for an oversized frozen food department. "It's huge," acknowledges store manager Mike Dolan, "but it's still not enough. It's amazing how ice cream has taken off, with all the varieties."

Nationally, sales for some high-end novelties seem to be softening in favor of back-to-basics alternatives. That's not

through soft-serve foodservice outlets. There are now more than 15,000 of those outlets, which have been instrumental in priming the pump for freezer case demand.

In 1990, Colombo introduced hard-pack Gourmet Frozen Yogurt, the first super-premium line with mix-in ingredients. Last year, Colombo added its softer Shoppe Style frozen yogurt. This year, in Boston and Houston, Colombo is testing Slender Scoops, a new six-item nonfat yogurt line featuring Nutrasweet.

Another key factor in yogurt's healthy sales gain is Haagen Dazs (Teaneck, N.J.), which "forever changed consumer expectations for frozen yogurt," according to Haagen Dazs vice president of marketing Yves Coleon.

CES numbers can't verify claims made about consumer expectations. But they do show strong demand for frozen yogurt. The category expanded 15.7 percent in 1991, on top of 1990's 28.7 percent increase, to a new total of \$718 million.

This year, Haagen Dazs hoped to surf on yogurt's frozen wave with sorbet-coated and chocolate-enrobed novelties. And Coleon indicates that suggested retail prices of \$.99 for single bars and \$2.59 for three-bar packs aren't keeping aging, health-conscious baby boomers from buying the pricey pop. "They've been extremely well-received," he says.

Full fat indulgence

While Haagen Dazs's Coleon notes that "there's no question that consumers are more and more interested in lower-fat items," he adds that "high-indulgence, super-rich" superpremium ice cream is also growing at a faster clip—about eight percent—than the ice cream category as a whole.

That explains Haagen Dazs's seemingly-paradoxical push into full-fat flavor with its recently-introduced Extraas line, targeted at younger adults: Extraas flavors suggest anything but moderation and restraint: Carrot Cake Pas-

sion, Caramel Cone Explosion, Cappuccino Commotion, Triple Brownie Overload and Peanut Butter Burst.

Haagen Dazs will benefit if its colorful new pints, priced at a suggested \$2.69, gain a following among younger adult consumers. But retailers may wonder if the wild and crazy sub-line will simply chew a hole between traditional Haagen-Dazs products and other brands, like Ben & Jerry's, without adding incremental sales. Coleon thinks not. "There's very little overlap between the two brands," he says. "They have a different image, a different reason for being."

Tastebuds rule

For its part, Ben & Jerry's Homemade (Waterbury, Vt.) created a splash two years ago with its artery and earth-friendly Light line. But to Ben & Jerry's consumers, health concerns are apparently no match for pleasure-seeking taste buds. The much-touted "light" line was discontinued earlier this year.

That isn't stopping others, however, from trying to lure consumers with best-of-both-worlds products promising indulgent taste with better-for-you nutrition. Steve's (Andover, Mass.) has a Light line, with Heath bits and other goodies mixed in. T&W's (Bloomfield, N.J.) Royal Light line is also indulgent, and leaner than Steve's.

Leaner still is Colombo's new six-item Slender Scoops line, despite decadent-sounding flavors such as Vanilla Fudge Heaven and Double Fudge Paradise. But each has less than one gram of fat per serving, and Nutrasweet keeps the per-serving calorie count in the 70 to 100 range.

H.P. Hood (Boston) also takes frozen desserts to a lean extreme with Hood Nonfat Frozen Yogurt, which follows Hood Free Nonfat Dietary Frozen Dessert. The six-item line is available in the Northeast, priced to sell between \$2.49 and \$2.79 per half gallon.

Continued on page 160

CES numbers can't verify claims made about consumer expectations. But they do show strong demand for frozen yogurt. The category expanded by 15.7 percent in 1991, on top of 1990's 28.7 percent increase, to a new total of \$718 million.

surprising, considering that in 1991, such items were priced, per unit, three times higher than regular novelties, according to Information Resources Inc.'s Infoscand division (Fairfield, N.J.).

But in upscale markets, pricey frozen treats are still riding high. Expensive ice cream, apparently, is "one thing people won't deprive themselves of," says Many Foods' Michas. And single-bar and multi-bar novelty packs move as quickly as pints. "It all moves. Dove bars and Ben & Jerry's are still doing very, very well, as are the yogurt items," Michas says.

A new category

Within the past several years, frozen yogurt has emerged as "a whole section within ice cream," Michas says. The category can trace its roots to 1976, when Colombo (Andover, Mass.) first offered their product frozen

Health & Beauty Aids

The daunting task of sorting winners from losers beforehand in this prolific nonfood segment is no cakewalk, especially with profit pressure at a new pitch.

■ Anticipation ... it's something that health and beauty aids buyers and merchandisers may have to rely on even more than do their counterparts in other categories.

Limited space, new product proliferation and hard-eyed management scrutiny of departmental sales and margins pose pressure-cooker motivation for them to make the right moves.

Yet while it's true that waves of new products invite confusion at the retail shelf, vendors in these categories *have* provided items that drive sales; some by creating unmistakable value, as with Gillette's Sensor razor; others by anticipating, or in some cases creating new consumer needs, as with combination products in hair care, and with the new symptom-specific cough/cold preparations and analgesics.

With category margins bolstered by the higher tickets that often come with advanced formulations and new product styles, HBA/OTC is well worth careful tracking.

Cough/cold continues to branch into new symptom-specific products that target ailments. Also, cough/cold products are appearing in new forms designed for adults and children, in stronger forms, and in new formulations for day and night-time use.

Night-time-use products have been the fastest-growth segment. A.H. Robins has restaged its Robitussin Night Relief cough/cold product, which

includes a sleep aid ingredient, with new packaging to "make it a more substantial player in the night relief area," says a company spokesperson. And in July, Burroughs Wellcome shipped its new Actifed Sinus Daytime/Night-time, two distinct medicines in one package.

But Warner-Lambert has moved one of its products away from night use orientation. Benadryl Cold will replace Benadryl Night-time. "Some people thought Benadryl Night-time was for allergy sufferers and not for colds. We wanted to be very clear they understood it was a cold product," says Ron Demczak, vice president, trade relations for Warner-Lambert.

Richardson-Vicks has built on the top-selling success of its Nyquil cold and flu product for night-time use, with Dayquil, a multi-symptom cold and flu product with a "non-drowsy" formula. The product is slated for shipping this Fall, says a company spokesperson.

In another realm of the cold products sub-category, Robins recently commenced distribution of its first Robitussin cold product—Maximum Strength Cough/Cold Robitussin, which joins its Maximum Strength Cough Robitussin.

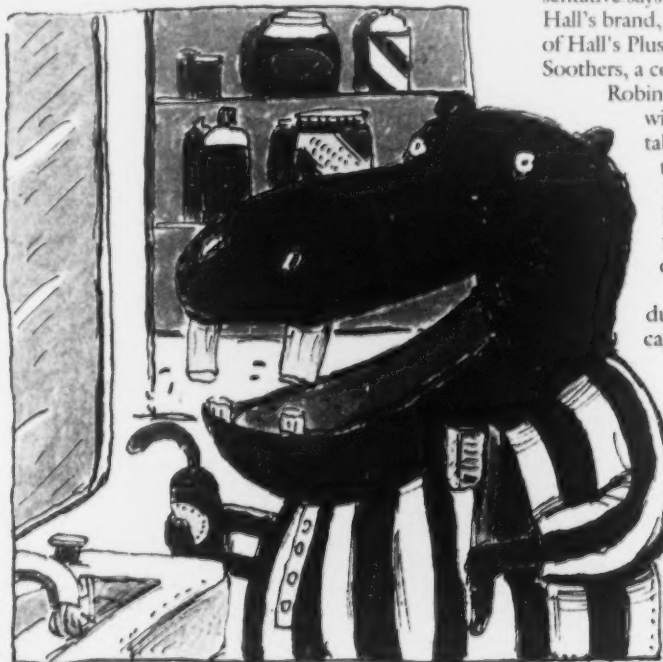
Robitussin cough drops, launched last year, has already moved into second place benefiting from the strong brand name recognition, the company's representative says. (They are behind Warner-Lambert's Hall's brand, which was boosted by the 1991 launch of Hall's Plus, a liquid-center cough drop, and Soothers, a cough-specific drop).

Robins is branching further into new forms with Dimetapp Cold and Allergy chewable tablets for children, and a new formula for the adult, liquid version as well, called Dimetapp Four Hour Liqui-Gels. It follows Robins' introduction last year of the Dristan cold and flu product in powder form.

Likewise, Richardson-Vicks is introducing its Dayquil in a LiquiCap soft gel capsule form, as did last year with Nyquil.

"It's not an easy technology, but we think it's an excellent alternative delivery system for people who don't want to carry around a bottle of liquid, or who simply prefer an unflavored product," said the company's spokesperson.

Warner-Lambert this month began shipping Benadryl Allergy Sinus Headache, an acetaminophen product that highlights the headache remedy aspect on the package.



45th

ANNUAL CONSUMER EXPENDITURES STUDY

Health & Beauty Aids

Night-time, or "PM" products represent the fastest growing segment in analgesics. Whitehall Labs has unveiled Aspirin Free Anacin PM, as part of a restaged Aspirin Free Anacin line of acetaminophen products.

Bristol-Myers is extending its Therapeutic Mineral Ice topical analgesic rub to a new TMI Plus With Moisturizers for arthritis and muscle-pain sufferers.

The leading antacid vendors have posted growth in liquids, powders, tablets, and capsules in a category projected to achieve double-digit advances for the

products in its Coppertone Sports line.

Supermarket retailers have an opportunity to extend the sun care selling season with displays of "sun-less" products, which are posting double-digit sales as people use improved products to tan safely indoors. Coppertone Sun-Less Tanning Extra Moisturing Formula hit retail shelves this year.

Chesebrough-Ponds is introducing Active Sport Moisturing Sun Block, a water and sweat-proof formula for sports participants that stays on for six hours without residue that affects a player's grip on a racket or other equipment. For all-day use, Vaseline Intensive Care UV Daily Defense Lotion provides a high level of protection for everyday sun exposure.

Simplification is the theme running through the hair care, facial lotion and cosmetics segments.

Two and even three-in-one products continue to set the tone in hair care, where formulas for cleansing, conditioning, and rinsing are increasingly combined. Higher-ticket lines, promising better results through more sophisticated formulations, have added margin dollars for retailers willing to devote adequate space to complete lines.

"The combination products have been particularly popular among men. It's one less product to deal with," observes one manufacturer's spokesperson.

Procter & Gamble's successful Pert Plus shampoo and conditioner has joined with Pert Plus For Kids, a two-in-one product for three to 10-year-olds. The vendor's Pantene Pro-V is "the first two-in-one shampoo plus conditioner with Pantene's pro vitamins," a company spokesperson said.

Helene Curtis' new Vibrance line and L'Oreal's Technicare are also among new entries in hair care systems. L'Oreal this year shipped the six-SKU Perma Vive system following last year's seven-item Color Vive system in the Technicare line.

In August, L'Oreal began distribution of its Mighty Mist hair spray—part of the company's Studio line. The products feature a

micro-diffusion spraying system that provides a light, fine mist to eliminate flaking and beading, a spokesperson said. "Hair spray is the second largest hair care category. We found that two-thirds of women who use styling products finish with a hair spray," she said.

Some supermarkets and drug stores have created separate male grooming departments. Gillette's 1990 launch of its Sensor razor deserves credit for sharpening retailer interest in male grooming by providing a distinctly different product, and Schick later followed suit with the skin surface-responsive Tracer.

Now Gillette is offering the Sensor for Women, featuring the same individually-spring-mounted blades and moisturizing strip that provide a "customized" shave that accommodates individual contours.

Bic is also pursuing the custom shave ideal with new two-blade, one-piece razors. The 3-item Bic Twin Select line, for normal and sensitive skin, produced in pastel colors, is scheduled for launch this month, according to a company spokesperson.

A recent round of publicity regarding vitamins' efficacy in preventing illness may thrust vitamin supplements back into the spotlight, after several years of flat growth. Though the impact of new studies—which said that vitamins diffuse toxins picked up in normal activity—remains to be seen, consumers' growing interest in diet and nutrition is certain to add pep to the category.

The latest research touted certain vitamins, including C, E, Beta Carotene and Selenium, as anti-oxidants that prevent premature oxidation of cells caused by certain environmental conditions. Beta Carotene was also said to contain cancer-fighting properties.

New labeling that highlights key nutritional information has boosted sales of Nature's Bounty supplements, by helping to guide customers in their choices, says Jim Flaherty, vice president, advertising and marketing for the company.

■ David Veczek

Two and even three-in-one products continue to set the tone in hair care. Higher-ticket lines, promising better results through more sophisticated formulations, have added margin dollars for retailers willing to devote adequate space.

foreseeable future.

Maalox expanded antacid efficacy from acid neutralization to include relief from heartburn—"a very specific condition—with its Maalox Heartburn Relief Formula launched in 1991. "Consumer response has exceeded expectations," says Patricia Wojdyla, vice president of marketing for Rorer Pharmaceutical Corp.

The sunscreen category should have a day in the sun this year, as new higher-protection rated products target consumer concern over the effects of sun exposure, and provide new utility for sports participants.

"The category has been very flat, but early signs indicate this will be a growth year," says a spokesman for Coppertone manufacturer Schering-Plough.

Golfers, joggers, softball and tennis players are fueling triple-digit growth in the sports subcategory, where Coppertone has launched two higher coverage

Pet Needs

What kind of year was it for dog food sales? Rough. And cat food volume was nothing to purr about either. But brisk sales of accessories might make winning a bigger share of that business a pet project for supers.

■ Last year was supposed to mark the beginning of a new era in the pet food category. Backed with megabuck support and elaborate point-of-purchase displays, Ralston Purina (St. Louis), Kal Can Pet Care (Vernon, Calif.) and Quaker Oats Co. (Chicago) tried to lure those drawn to "superpremium" pet foods at specialty shops to newly-formulated lines available in the supermarket.

Well, the numbers are in and for the second consecutive year, they're disappointing. Pet food sales, which had grown 6.1 percent in 1989 but then edged up by only 0.7 percent in 1990, actually declined by 0.3 percent in 1991, according to SUPERMARKET BUSINESS's 1992 Consumer Expenditures Study (CES).

Setting the general tone for the category was the fact that its biggest gainer—dry dog food—posted a paltry 0.4-percent increase in 1991. And with gross margin averaging only 15.5 percent, compared to 19.5 percent for the entire category, incremental gross profits were a correspondingly dry \$1.3 million for the year.

And that lethargic sales gain was easily negated by shallow declines for canned cat and dog food, and dry cat food. Worse still was the sharp decline of the premium-priced semi-moist pet food seg-

ment (-16.3 percent, to \$256 million), a major contributor to the entire category's 0.3 percent decline.

A positive note was that cat litter posted the sharpest sales gains in dry grocery, with a 10.3 percent surge to \$415 million. And there may be potential in pet accessories, which supplied a 7.5 percent increase. But supermarkets are currently reaping only a small portion of that high-margin bounty, with a meager 26 percent share, or \$513 million, of the total \$1.95 billion pet accessories market.

Lethargic growth

Other classes of trade notwithstanding, the major obstacle to category growth is the flat growth of the pet population itself. The numbers have fluctuated somewhat in recent years, but five-year averages show a slow, steady rise in the cat population (currently pegged at 62.4 million) and flat growth in the number of dogs (now at 53.3 million), according to figures cited by Ralston Purina.

But ever since packaged dog food was introduced in 1933, supermarket pet food sales have grown at a seemingly higher rate than the pet population.

The reason: manufacturers and retailers have successfully marketed now-"indispensable" products that pet owners never thought they needed.

And among the key suppliers in the field, there's no shortage of new ideas.

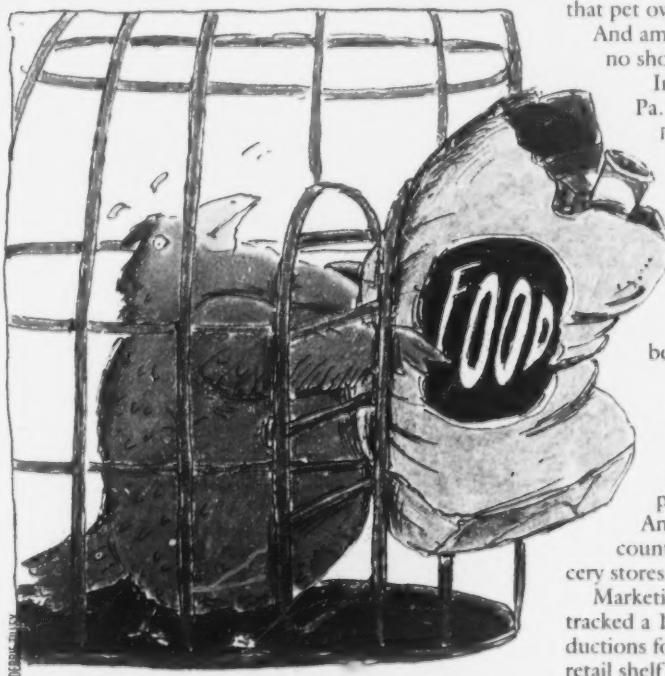
In June, Alpo Petfoods (Lehigh Valley, Pa.), a subsidiary of Grand Metropolitan PLC, launched what may be the first product in the pet beverages sub-category, Alpo Dairy Cat. The product comes in five-ounce cans (\$.49), 10-ounce cans (\$.89) and a multi-pack of four of the smaller cans (\$1.89). And believe it or not, it's positioned for lactose-intolerant cats. Can frozen cat treats and refrigerated sports drinks for dogs be far behind?

Skeptics may scoff. But look at the pet snacks category. People now spend

\$455 million for pet snacks, \$424 million of it—or 93 percent—in grocery stores. By contrast, boxed chocolates (for people) bring in \$321 million nationwide.

And only 44 percent (\$143 million) of the country's boxed chocolate dollars go to grocery stores.

Marketing Intelligence Services (Naples, N.Y.) tracked a 16 percent rise in new pet product introductions for 1991, with 288 items competing for retail shelf space. This year, that frenzy has tapered



Pet Needs

down to a simmer. Instead of launching entire lines, most manufacturers are tinkering with new flavors, textures and treats.

Ralston Purina targets dog owners who buy both dry and semi-moist pet food with its updated Butcher's Blend and Butcher's Burger. Butcher's Blend combines crunchy and chewy nuggets in beef, chicken, bacon and cheese flavors, and is sold in clear plastic jugs as well as in bags.

In snacks, Ralston extended its Beggin' Strips with a bacon and cheese flavor recently, and

and Alpo Lean dry dog food. The company also introduced six Alpo Prime Cuts items in cans, along with two new dog treats. They include Beef Biscuits, which contain real meat, and Rawhide Chews. Both are available for small and large dogs.

Grocery stores are slowly but steadily losing share to competitors in the cat litter segment. Dollar growth in grocery stores rose 10.3 percent in 1991, compared to 10.7 percent for the cat litter market as a whole.

But if grocery stores claim a lower percentage of the \$560 million cat litter segment than any other dry grocery pet product category, they still dominate with a 74-percent share. And with its higher gross margins (26.1 percent), few retailers are complaining about the new SKUs.

The clumping litter segment is driving sales growth in the cat litter segment, and now accounts for some 32 percent of total litter dollars, according to Patrick O'Brien, vice president and general manager of First Brand's A&M Pet Products division (Danbury, Conn.). Most of the growth, he notes, occurred in the last two years, as scoopable litter sales migrated from pet shops to grocery stores.

The main reason for the sales gains, he says, is consumer convenience, particularly for pet owners who are elderly or disabled. Instead of changing an entire litter box several times a month, clumping litters encapsulate waste. Once it's scooped away, the box requires minimal replenishment. One seven-pound jug will last six months for a medium-sized cat.

Along with consumer convenience advantages that extend from purchase to disposal, premium-priced clumping litters provide "very strong DDP advantages" to retailers, O'Brien notes.

As long as dogs already have fur coats, do they really need a Poochi fashion line? Maybe not, but that isn't stopping ConAgra Pet Products (Omaha) from generating strong impulse-driven demand for fun frills with its Sergeant's bandanas, caps, collars and leashes in fashion colors.

Seasonal novelties, like Santa's hats and stuffed reindeer antlers, are also hot sellers. Most items are priced to sell between four and six dollars.

Other new items under the Sergeant's banner include cat shampoo (suit of armor for cat-washing pet owners not included) and "tearless" puppy shampoo. And under the company's Geisler brand, there's a new birdseed in more effectively-sealed packaging.

Other companies, such as the Lassie pet care products division of Carter Wallace (Cranbury, N.J.), offer new products that range from the frivolous—Lassie Cologne, in an eight-ounce pump spray—to the functional—four-ounce containers of Lassie Ear Wash. Five other new items include a tearless puppy shampoo, Tea Tree herbal shampoo with aloe and melaleuca, a puppy-sized slicker brush, and two new combs, one for getting rid of fleas.

With lively new product activity and margins averaging 45.5 percent, it would seem worthwhile for grocery stores, which still claim 90 percent of the pet food market, to pounce on pet accessories. Instead, their 26 percent share is slowly dwindling as grocery store dollar growth (7.5 percent) is edged out by the 7.8 percent growth of the category as a whole.

"More and more of the business is going outside of the supermarkets," says a Friskies spokesperson. "There's clearly a major opportunity for retailers. It's just a question of when they will wake up and defend these general merchandise categories from the mass merchandisers and pet stores." The latest entry in the battle for share? Specialty pet "superstores."

How can retailers prevent further erosion, and win share back? By cross-merchandising pet accessories with pet foods, by "taking slimmer margins to compete with the Wal-Marts and Kmart's," and by giving customers a choice with more than one pet care brand, the spokesperson says.

■ FRANK HAMMEL

Other classes of trade notwithstanding, the major obstacle to category growth is the flat growth of the pet population itself. The numbers have fluctuated somewhat in recent years, but five-year averages show a slow, steady rise in the cat population and flat growth in the number of dogs

packaged its Bonz treats in clear cookie-jar plastic in March. Along with better visibility and impulse purchases, consumers tend to lavish their pets with treats more frequently when the product is on the counter instead of tucked away in a cupboard.

Quaker's Advanced Nutrition Cycle is positioned, like Ralston Purina's O.N.E. line and Kal Kan's Expert, for health-conscious pet owners who want their animals to be at least as fit as they aspire to be. Quaker also blends chewy and crunchy textures with its Kibbles 'n Bits with Jerky. That item follows Quaker's lean-formula Kibbles 'n Bits line extension. And Big Snausages are for big dogs.

In Grand Metropolitan's Alpo line, Dairy Cat follows last year's introduction of Alpo Beef-Flavored Dinner, Alpo Protein Plus

Greeting Cards

Recession may be a factor, but other trade classes are still selling cards to more of their traffic than supermarkets. Suppliers still say it's all about space and selection, and some retailers agree.

Despite their lion's share of total customer shopping trips, supermarket retailers still settle for a kitten-sized portion of the highly-profitable greeting card business: \$702 million or about 13 percent of the category's total of \$5.27 billion in annual sales, according to SUPERMARKET BUSINESS's 1992 Consumers Expenditure Study (CES).

A Greeting Card Association (GCA) analysis of card sales by trade channel shows that card and gift shops still dominate, with 32 percent of the market. Drug stores follow, with 26 percent. Supermarkets edge out mass merchandisers, with 17 and 16 percent, respectively. Variety stores and department stores take up most of the remaining nine percent of the greeting card pie.

To compare greeting card sales with customer visits, think of a simplified retail universe with only three trade channels—supermarkets, mass merchants and drug stores. When you plug real-world data into that artificial model, the differences in greeting card sales are striking.

In that universe, supermarkets have 62 percent of the visits, but only 29 percent of the greeting card sales. Mass merchandisers have 21 percent of the vis-

its, but 27 percent of the sales. Drug stores have a small 17 percent of the visits, but a whopping 44 percent of the sales.

On a per-visit basis, drug stores rake in 5.5 times more greeting card revenue than supermarkets; mass merchandisers bring in 2.7 times as much.

Even if you eliminate the 44 percent of supermarkets without full greeting card sections from the hypothetical universe, and re-compare dollars and visits, greeting card departments at drug stores are still 2.5 times as effective at turning visits into dollars, and mass merchandiser sales per visit are still 1.9 times as strong.

Those numbers give a feel for both the missed opportunity—and upside potential—for greeting cards in supermarkets.

Supermarkets losing share

As retailers with successful greeting card sections know, there's nothing inherently incompatible about supermarkets and greeting card success. Indeed, according to GCA, between 85 and 90 percent of greeting card shoppers are women. That would seem to make the category a good fit with the supermarket industry's female-skewed customer base.

But despite the opportunities, supermarket card sales continue to fall far short of their potential. And 1991 CES results were the most dispiriting to date.

Throughout the late 1980s, supermarket greeting card dollar growth was in the double-digits. In 1990, it slipped to nine percent, but still outpaced the six percent growth in dollars for card sales at all outlets. In 1991, despite an uptick in growth for cards at all outlets to 6.7 percent, the gain in supermarkets lagged at 5.9 percent.

By now, greeting card companies have a pretty good idea why it's taking so long for so many supermarket card sections to get well quick.

"It's the old issue of how much space retailers are willing to give to the category—selection is all-important," says Pat Papesh, vice president of marketing at American Greetings (Cleveland, Ohio). "With more space, you have

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DEBBIE TILLEY

Greeting Cards

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more selection. With more selection, the department has a bigger impact on the customer. With a bigger impact, you build up a loyal following of customers who purchase their cards there."

Retailers who've had a taste of success agree. "If you're going to have greeting cards, you have to really be *in* the business," says Claire D'Amour, vice president, corporate communications at Big Y Foods (Springfield, Mass.).

"You should have a good representation of the category so customers have enough of a

Ideally, the department will be near the entrance, but not so close to the front end that the paper goods are affected by direct sunlight. Another good spot is near, but not right along, a busy traffic aisle.

selection to choose from," D'Amour says. "People won't even bother to shop the greeting card section if it's only four feet wide. They won't even bother with the exercise."

"If consumers feel they can find an adequate selection of greeting cards, we believe they will buy them there," says American Greeting's Papesh. "But they can get turned off quickly if they can't find what they want. And sometimes, they won't even try. They'll take one look at a small section and decide there can't be much there."

Big stores, bright prospects

Big Y sells greeting cards in all of its stores, and is putting a major emphasis on its card departments in newer units. "As we build larger stores, we keep expanding the departments. Especially in the last year—we've expanded every aspect of it, with

gift wrap, bows and some of the miscellaneous things," D'Amour says.

At the 62,000 square-foot Big Y which opened last November in Worcester, Mass., the greeting card department measures 150 feet. Because cards are so closely associated with gift-giving, the department can be spiced up with seasonal displays of just about anything you'd expect to find in a gift shop.

"We've added some merchandisers on top of the racks, custom-made to fit our merchandising plan, and it's worked out well," she says. "We sell a lot of giftware items, dried flowers, and seasonal items that way." (For photo, see SUPERMARKET BUSINESS, May 1992, page 172.)

Most supermarket greeting card sections, by contrast, are growing slowly in size, and are sticking to the basic card lines, according to card manufacturers.

"Supermarkets haven't kept pace, in terms of increasing space," Papesh adds. Retailers in other classes of trade, she says, sometimes have as many as three aisles running the full length of the store, just for cards. "Then here's a supermarket with 20 linear feet devoted to the entire category."

Location, location, location

Along with expanded size and product selection, three other factors can influence a greeting card center's success, according to Peter Gaietto, director of store environment for Gibson Greetings (Cincinnati)—Location, location, location.

He notes that supermarkets are often reluctant to allocate prime shopping space to card sections. But while greeting cards aren't always considered a core part of the image food retailers want to present, the departments are becoming a better fit with consumer needs as fewer have time to browse leisurely for cards at other retail outlets.

While the ideal spot may differ with each store and its merchandising mix, American Greetings has several rules of thumb.

Ideally, the department will be near the entrance, but not so

close to the front end that the paper goods are affected by direct sunlight. Another good spot is near, but not right along, a busy traffic aisle. If customers see the department (or its signs), they will investigate. And if the greeting card aisle itself is unrushed and tranquil, they will linger and buy.

"We always like it if it can be near related products, where women stop and browse, such as a health and beauty aids area, or something like school supplies," Papesh says. Another tip: Don't try to mix greeting card warmth with the chill air near high-powered coolers. "People like to move through the freezer area pretty fast, and greeting cards are something you like to stop and browse through."

Along with their attempts to cajole retailers into expanding their greeting card departments, manufacturers are also working on merchandising programs that use every inch of the space they do get as effectively as possible.

A case in point is Ambassador Cards, a division of Hallmark (Kansas City) and their new Strike Zone program. Geared for retail sections measuring less than 40 feet, it will be the first to integrate traditional and "alternative" cards as it expands into retail stores this Fall. It uses the "shopper-stopper" pop-out signs that Ambassador developed earlier this year, each marking cards for a sending occasion.

Along with the organized-rainbow effect, the pop-out signs feature four-color snapshots that also help identify the sections. "Kid's Birthday," for example, has a cluster of youngsters, who are smiling and tooting noisemakers, wearing party hats and holding balloons.

Those touches make the merchandising program particularly well-suited to customers who need to find the right card right away, rather than those who prefer to indulge in leisurely browsing.

"When you're in a grocery store with your children, and the ice cream is melting, you have to get what you need right away," says an Ambassador spokesperson.

■ FRANK HAMMEL

Photo/Film Processing

Pricing pressure is impacting film sales and profits in supermarkets, but the loyalty factor produced by good instore mini and micro-lab configurations can brighten the picture.

■ For years, supermarkets have been able to earn steady sales in photo supplies and processing, from consumers who appreciate the convenience of "one stop" shopping.

But volume has been the key to profits in a category where margins on film—never huge to begin with—have been held in check in recent years by competition and consumer price sensitivity.

And there's the rub. As other retail classes continue to commit more dollars to film/photo—notably with instore processing services—supermarket general merchandise managers have found some cause to be anxious about their film business.

But the convenience and quality of instore processing by supermarkets may well provide the hedge against strict price-oriented assaults.

Despite their price sensitivity, amateur photographers take their picture-taking seriously. Surveys have shown that consumer brand recognition and brand loyalty is higher for film than for almost any other nonfood category in the store. And once they've fired away with their favorite film, they want to go to a lab they can trust to have it developed.

The benefits of mini-labs for mass merchandisers have had as much to do with increased sales of film/photo supplies and increased business in *out-lab* processing, as with the actual capture of the

one-hour or same-day service provided by the instore labs. In short, the labs stimulate total market share.

A growing number of food retailers are least studying the opportunity inherent in instore processing, which has become more attractive as technology breakthroughs, such as the newer micro-labs, have made the store service less labor-intensive.

"We have explored this notion just recently with Qualex. We think instore processing has some merit. It seems to work in our competitors' stores. We're just not sure we're ready to jump into it yet," says Norman Carpenter, who directs general merchandise for Rosauer's Supermarkets (Spokane, Wash.).

Bill West, merchandiser for Seaway Food Town, (Maumee, Ohio) has been testing mini-labs in three stores for a year and a half, observing "surprising" synergistic growth in the stores' outlab business. "Instore labs seem to be very important in supporting the one-stop shopping concept," he says.

Into the process

Publix, Wegman's, Meijer, Hannaford Brothers, and Randall's are among major food retailers that have offered full-fledged instore programs for several years, a major reason for their substantial progress in the film processing market.

Addressing the fact that cost control is a major concern in instore processing, such micro-lab configurations as those developed by Noritsu and Gretag, and utilized in the retail store packages offered by Qualex (Durham, N.C.), can be operated by store associates also dedicated to other departments, holding down labor and training costs.

But new mini-lab features are also addressing the cost problem head-on. In its new minis launched in February—the SFA 250 and 270—Fuji Photo Film USA, (Elmsford, N.Y.) designed in a "video monitoring system" that eliminates the need for a lab associate to correct for print color and density from a negative.

Instead, the technician views developed negative exposures on a nine-inch screen that shows what the film will look like as a print, and makes color and density corrections right there.

The system makes the fine-tuning process easier to learn and execute, and



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lessens waste as more prints come out right the first time, says Bill DiMinno, director of mini-lab sales for Fuji.

The video monitoring system is but one example of a stream of new products in film/photo that create category interest among both retailers and consumers.

By August, camera stores will be selling the photo CD players that mate with the system developed jointly by Kodak and Philips NV, according to a Kodak spokesperson. "This technology will increase film and

can share with their friends and family. Slide film is only three percent of the amateur market in the U.S., Almeida notes.

Regarding yet another equipment development, Kodak says its \$50,000 Create-A-Print photo enlarger will provide retailers with high-margin photo enlargement business, as well as as sales of such related items as frames. Wegman's is among chains testing the machine, which prints enlargements in five minutes, says Kodak's spokesperson.

For singles only

New single-use models continue to add fuel to the hottest camera subcategory, which has been growing at a 30 to 50 percent annual rate. "The category is just absolutely skyrocketing in growth," says Rod King, senior marketing manager, photographic products division, for Fuji.

Fuji now offers five cameras in its Quick Snap line. Kodak's Fun Saver line was enhanced in January with the Tele Foto 35 camera, which facilitates close-up pictures of distant subjects. Kodak's Panoramic 35 single-use model, on many store shelves this year, provides a 75 degree angle of coverage, twice as wide as standard, for three by 10-inch prints.

Konica USA will launch three new single-use cameras, with \$1 consumer rebates, in its Film-In line—one with a flash, a "panoramic" unit, and a 36-exposure model, says Paul Gordon, advertising and marketing manager for Konica.

The success of the single-use camera rests partly with the fact that consumers can't help but perceive value in cameras that retail for \$11 and under, yet take 35mm film pictures equal in quality to those from a low-end, lens shutter "point and shoot camera."

The other sales-driving factor is that their disposability makes them suitable for use in situations where photo buffs would fear damage to a more expensive camera. And that's especially good news for retailers because it means single-use buyers are

generating incremental film and processing sales, says King.

With consumer awareness of the cameras still at only 60 percent, Fuji kicked off a television ad campaign this summer to build exposure. "Many retailers have these planogrammed with film, and consumers are confusing them with (film) multipacks. We recommend that they dedicate a separate center, and cross merchandise," King added.

Another camera that has proven popular with merchants is Polaroid's One-Step Flash instant camera, recently enhanced with a built-in close-up lens for taking shots from two to four feet, and now priced to sell at under \$30, says a spokesperson.

With film sales flat for the last two years, the industry is seeing a trend toward more aggressive pricing.

Price is right

"We all have to respond to the recession to drive volume. Our coupon redemptions are up 25 percent, an indication the consumer is straining, and intently looking for value," says Fuji's King.

Konica is offering one-dollar cash rebates on every roll of its Super SR film, which the vendor, a large maker of private label film, has created to enter the amateur photographer 35mm film market this year.

Supermarkets have to be willing to experiment to build film/photo sales in this climate. Rosauer's Supermarkets this summer will mount tie-in advertising on a Kodak program running through Labor Day, that features the vendor's film, single-use cameras, and tapes. Gold Plus film and single-use cameras will be hung on end-cap power panels around the stores, says Carpenter.

"This is a new program for us. The Kodak people have been telling us for some time that the real key for getting extra sales is to have secondary locations away from the film rack. So we're going to give them a chance to prove that," Carpenter says.

■ David Vozek

Consumer brand recognition and brand loyalty is higher for film than for almost any other nonfood category in the store. And once they've fired away with their favorite film, they want to go to a lab they can trust to have it developed.

camera sales. People will want to take more pictures," he predicts.

Presently, the vendors are selling wholesale labs the equipment that will be used to transfer images from 35mm film into photo CD disks, which hold about 100 images each. The consumer must buy a photo CD player, which is used to project the still images on the television screen.

But Fuji is not convinced of the technology's near-term potential. "We are not convinced that photo CD in its current state is truly a consumer product as such," says Manny Almeida, group manager, Fuji Video Products Group, adding that company has no plans to enter the photo CD consumer hardware market.

Almeida also argues that consumers who want to put images on their television can pay a few hundred dollars for camcorder. Consumers like hard copy they

Produce

Neither droughts, freezes nor overblown health scares—or even recessionary conditions—have succeeded in thwarting the produce department's sales and profit performance.

Produce continued as a growth and profit-margin star in 1991, despite the recession and the effects of weather conditions that slowed down the banana business and hammered the citrus industry.

"Consumers still realize that produce departments feature the healthiest items in the supermarket," says George Dunlop, president of the United Fresh Fruit and Vegetable Association (UFFVA), Alexandria, Va. "They're now more aware of the fact that the number one health problem in this country is obesity, and that eating more fruits and vegetables on a daily basis can significantly lessen that problem."

Selling health

Dunlop feels that retailers have done an outstanding job in responding to consumers' concerns about health and nutrition through what he calls "health marketing," in the form of nutrition labeling and clever promotions.

Another plus for the industry, he said, has been its ability to overcome negative publicity (such as the Alar scare three years ago) through strong communication links with government agencies and trade associations. "I think we as an industry have done a significant job in regaining consumer confidence and maintaining it through education and

the establishment of advocacy groups such as The Center for Produce Quality," Dunlop says.

Jo Natale, a spokesperson for Wegman's Food Markets, Rochester, N.Y., agrees. "Customers are not expressing as much concern over pesticide residues as they were a few years ago," she says.

Part of the reason, Natale asserts, stems from the fact that consumers are better informed. "They've learned about integrated pest management and related issues," she says. "There's always fear of the unknown, but when you study something and learn more about it, fear diminishes."

Dunlop also adds that some significant battles have been won during the past year in the areas of nutrition labeling and international trade. "The voluntary aspect of nutrition labeling is working well, and we're also pleased with the recent North American Trade Agreement," he says. The agreement, he adds, will play a significant role in reducing tariffs and allowing the United States to gain access to previously-closed Mexican and Canadian markets.

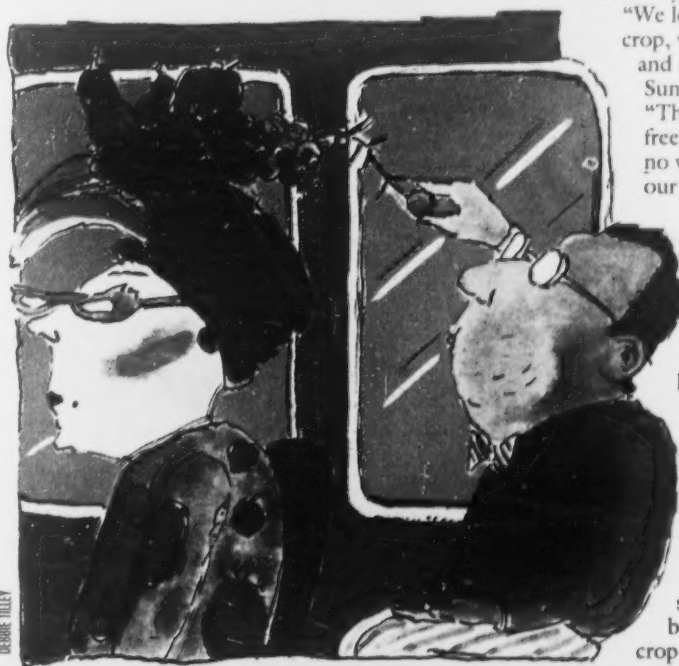
Orange crush

A devastating freeze walloped the citrus industry during the Winter months, followed by a remarkable recovery partly attributable to aggressive educational and advertising campaigns by retailers, helped along by suppliers such as Sunkist Growers, Van Nuys, Calif.

"We lost almost 50 percent of our orange crop, which consists primarily of valencias and navels," notes Barbara Robison, Sunkist's manager of consumer affairs. "The primary growing area affected by the freeze was the San Joachin Valley. We had no valencias from that region at all. But our greatest loss was in lemons because there was a lot of tree damage."

"Our tangerine and grapefruit supplies from the San Joachin Valley were also hurt, but we did manage to get some good supplies from the Coachella Valley around Palm Springs. We're in the midst of harvesting a new crop of valencias right now, but the problem is they're running small, which makes them difficult to market," she said.

Another problem, Robison adds, is what she terms a "re-greening" of some valencias from the Coachella Valley. That happens when chlorophyll returns to an orange tree and, subsequently, to the fruit. It's caused by warm ground temperatures. "That crop bloomed a year ago, but we had a hot



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summer which led to warm ground temperatures," Robison notes. "Because of the green coloring, consumers think the oranges aren't ripe, but they really are. In fact, not only are they ripe, but they're very sweet. That misconception has hurt sales somewhat.

To help retain sales of the crop, Sunkist provided retailers with cards that explained the ripeness of the oranges in spite of the strange coloring. In addition, the company suggested that the retailers cut up the oranges and let customers sample them.

"Consumers still realize that produce departments feature the healthiest items in the supermarket. They're now more aware of the fact that the number one health problem in this country is obesity, and that eating more fruits and vegetables on a daily basis can significantly lessen that problem."

Robison adds that once customers tasted the fruit and realized it was fine, sales picked up.

What's more, she reports that sales of all Sunkist products are gaining momentum thanks to some smart packaging ideas and slick television advertising.

For starters, Sunkist introduced a new orange bag that contains a coupon which can be used toward a customer's next purchase of oranges. The grower also provides a mail-in coupon for a lemonade kit within its lemon bags. The kit includes a squeezer and lemon grater.

To address consumers who may have questions regarding safety, sanitation, nutrition labeling, storage, and handling among other concerns, Sunkist has set up a toll-free hotline.

Three cleverly-produced television commercials—two dealing

with oranges and one with lemons—have also figured prominently in re-positioning Sunkist as a major grower.

"Our first orange commercial was titled 'Pleasant Experiences' and it featured a woman sharing an orange with her child," says Gee Winands, Sunkist's domestic advertising manager. "It conveyed an emotional, relaxed atmosphere coupled with the refreshing and energizing aspects of eating oranges. The second spot, titled 'Promises,' featured luscious close-ups of oranges that seemed to spill over into the viewer's living room. That commercial was selected by *Adweek* as one of the best TV ads during February."

"So far, we've drawn very high accolades from both consumers and retailers regarding the commercials," Winands says. "We're in the process of tracking orange sales since the commercials, and so far, they're up."

Banana sales are also picking up, after the double whammy that hit the industry last year; poor weather conditions in major growing areas, and then low prices due to an oversupply of product from other markets.

"Costa Rica had some cold weather last year, coupled with flooding in Ecuador and drought conditions in Columbia," says Alvaro Acevedo, a spokesman for Turbana, Coral Gables, Fla. "Those conditions had a definite impact on our sales. However, things are pretty stable right now."

Acevedo points out that Turbana has begun to actively promote plantains and red bananas among retailers and consumers through brochures that feature recipe ideas. "Consumers don't realize that plantains are really vegetables, and have to be cooked as vegetables," Acevedo points out.

What's unique about them, Acevedo adds, is the fact that they can be used during all ripening stages, as opposed to other vegetables and fruits. The vegetable's ripening stages are indicated by three colors: green, yellow, and black. Acevedo strongly recommends using plan-

tain as a starchy side dish during the green stage; a sweeter side dish during the yellow stage; and as a dessert or sweet-potato-like item during the black stage.

"The idea is to show the consumer, as well as the retailer, that plantains afford a lot of flexibility," Acevedo says. "Educating people about the plantain's unique properties has been a slow process because its applications are fairly new to them. But we're slowly gaining ground."

Chiquita Brands Inc., Cincinnati, Ohio, has just introduced a new line of smaller bananas called Chiquita Juniors. "They're about seven inches and smaller compared to the normal nine inches," says a Chiquita spokesperson. "Through research, we discovered that children and seniors don't finish bananas, so that's why we're introducing smaller ones."

Lettuce lament

While oranges and bananas are performing fine, the iceberg lettuce business "stinks," says Matt Seeley, director of marketing with Nunes Co., Salinas, Calif.

"Our biggest problem as an industry is that we overproduce, and then we drop the ball in terms of promoting," Seeley adds.

According to Seeley, a good deal of the problem stemmed from the failure of the now-defunct California Iceberg Lettuce Commission.

"The commission had the use of \$20 million in grower funds, and it did absolutely nothing to reach the consumer for 13 years," Seeley asserts.

By way of contrast, he points out that broccoli's cancer-preventive properties and other health-related benefits have reached the consumer largely through the efforts of packaging companies. "They carried the torch for broccoli, not a 'California Broccoli Commission,'" Seeley adds. "We've had to rely on the American Heart Association, and the American Cancer Society to tell our story. I hope the 5-A-Day program helps."

■ Richard Petreyak

Seafood

Although sales results varied greatly among individual retailers and suppliers, total volume was up by more than seven percent in grocery stores in 1991—not bad considering consumers' cutbacks, and *Consumer Reports'* haymaker.

Exactly which "objective" sources do consumers believe when it comes to the quality and safety of fresh seafood in supermarkets?

Is it *Consumer Reports*, which branded supermarket seafood untrustworthy in a controversial report in its February 1992 issue? Is it the Food & Drug Administration (FDA), which labeled the publication's conclusions alarmist?

Judging from the widely skewed 1991 category performance reports from the field—some indicating no problems, others in the doldrums—it's hard to tell.

As for the numbers themselves, our results for the year certainly do not paint a portrait of disaster for the category. Sales of fresh fish and other seafood in the nation's grocery stores totaled just over \$4 billion, an increase of 7.5 percent from the 1990 total. Considering the furor, not to mention other oft-discussed problems, such as consumers' lack of confidence in preparing fish, and the need for more knowledgeable people at the retail level, the results were, on balance, fairly good.

Some retailers, wholesalers, and suppliers are in agreement that consumers are not necessarily buying less seafood, but that economic considerations have guided them toward such lower-priced varieties as tuna, salmon, pollock, and cod.

"Our sales in seafood during the past few

months have been basically flat because of the tough economy in New England," said Mark Alexander, seafood buyer and merchandiser for Hannaford Bros., (Scarborough, Maine). "Seafood is expensive, compared to other local favorites such as chicken and macaroni. Consumers interested in seafood are trading down. They're purchasing had-dock at \$5.99 a pound instead of more expensive items. Salmon is another low-ticket item that has been doing well in our stores, while hake, pollock, flounder, and cod just keep right on rolling."

Similar buying of lower-priced seafood items has also been evident on the west coast. Rico Pastorino, seafood director for Hughes Markets (Los Angeles), concurs that value and price are major concerns among recession-ridden consumers.

"A lot of people are downsizing their seafood purchases," he says. "They're buying ground fish fillets, snappers, cod, and Dover sole—which are all within the three-to-five-dollar per pound price range—as opposed to more expensive items in the seven to 10-dollar range, such as swordfish and halibut."

"These days, shoppers are looking for value," adds Michelle Gruenke, vice president of sales and marketing, Morey Fish Company, Golden Valley, Minn. "They're looking to spend about three dollars, and that's it. Salmon, catfish, and shrimp fit nicely into that price bracket, and they've been quite popular."

Despite the fact that consumers may be turning to less-expensive seafood items, some operators say this has not necessarily adversely affected sales.

"We're doing real well in our stores," notes Al Kober, meat and seafood buyer/merchandiser for Clemens Markets, Lansdale, Pa. "In fact, our seafood sales are running 24 percent ahead of the same period last year, which is well above what we projected. Our top sellers include salmon, orange roughy, flounder, catfish, and shrimp."

So what about the effects of, and the industry's response to, the broadside by *Consumer Reports*?

To summarize, the article attacked retail seafood departments' handling and display practices, reporting that 30 percent of the fish purchased during its investigation was poor in quality, and that nearly half was contaminated by bacteria. In



Seafood

addition, it stated that traces of PCBs and mercury were found in several species.

The seafood industry responded with guns blazing. "The article was a real travesty," says Clair Vanderbeek, vice president of communications for the National Fisheries Institute (NFI).

"First of all, whoever conducted the investigation used the APC bacterial count method as part of the research, and government agencies have never incorporated that method as a quality indicator. There's no regulatory

let on seafood safety by the California Fisheries & Seafood Institute, a 275-member retailer-wholesaler-supplier organization, of which Ptak is president.

But Ptak says that sales were in fact very slow for nearly a month following the article's publication, and there are retailers who will admit that there was a serious impact, at least as measured by their own results.

"People are really skeptical about buying seafood now," notes Hughes Markets' Pastori-no. "And on top of the *Consumer Reports* article, a staff writer for the *Los Angeles Times* has been bashing the seafood industry at least once a month. It's become a real battle zone out here. People are returning seafood they've purchased at our stores because they think something may be wrong. It's become a mindset."

On the other hand, some industry observers say the article only minimally affected sales. "It didn't really have that big an impact on our operations," says Peter Masson, director of marketing for Coldwater Seafood Corporation (Rowayton, Ct.). "For maybe a few days, people were asking questions about safety, but that was it. In fact, our business has picked up. I don't think the article was well prepared, and people picked up on that."

Morey's Gruenke agrees. "I think the impact was felt quickly, and then it went away quickly," she says. "Consumers have heard so much negative publicity about everything they eat. As a result, they're getting frustrated. They're starting to ask, 'Well, what *can* we eat anyway?'"

Alexander of Hannaford Bros. adds that after the report appeared, seafood sales were soft for about a week, and then rebounded quickly.

In general, retailers, wholesalers, and suppliers continue to emphasize that education of consumers, and proper training and follow-up with store personnel, are the keys to boosting sales and diffusing adverse publicity in the seafood arena.

"Education of personnel in

the handling and storage of seafood is first and foremost," Ptak says. "Most retailers know what they're doing, but I've seen a lot of operators merchandising seafood out of the meat case. Those types of cases simply aren't designed to handle seafood from a refrigeration standpoint."

Clemens Markets offers seafood clerks a comprehensive training program that includes tips on proper handling, storage and sanitation techniques, as well as tours of fish processing facilities, including the M.F. Foley plant in New Bedford, Mass.

In addition to proper training, most retailers agree that mandatory federal inspection, although not a reality at this point, will have a positive impact in terms of increasing consumer awareness and, consequently, seafood sales.

"I'd welcome mandatory inspection for the simple fact that some of our competitors are buying lower grades of seafood products," Hannaford's Alexander says. "Consequently, consumers are associating our seafood products with theirs. Mandatory inspection, however, would put everybody on the same level playing field in terms of quality and product consistency. That would also translate into sales increases for everybody," he said.

In the meantime, the FDA will continue its aggressive inspection tours of processing facilities.

"The FDA's inspection program has grown tremendously during the past couple of years," Vanderbeek notes.

In fact, in 1992, the agency spent \$45.5 million on seafood inspections compared to \$22.5 million in 1990. The number of inspections also rose from 300 in 1990 to 477 in 1992—a 59 percent increase. Further, the FDA has opened a separate office that will focus exclusively on seafood-related issues, reportedly a first.

Vanderbeek said that "In 1991, the FDA inspected over 3,500 retailer, wholesaler, and processing facilities. According to its findings, 95.2 percent were in compliance."

■ Richard Petreyak

In 1992, the FDA spent \$45.5 million on seafood inspections compared to \$22.5 million in 1990. The number of inspections also rose from 300 in 1990 to 477 in 1992—a 59 percent increase. The agency has opened a separate office that will focus exclusively on seafood, reportedly a first.

agency in the world that uses that method. Had *Consumer Reports* investigated the meat and poultry industry, it would have found much higher bacterial counts because of the higher degree of processing.

"In fact, the Food and Drug Administration performed a recent risk analysis of the seafood and poultry industries. It found only one illness per two million servings of cooked seafood compared to one illness per 25,000 servings of cooked poultry. What it all comes down to is proper handling and preparation," she said.

David Ptak, vice president and general manager of Chesapeake Fish Company, San Diego, Calif., says one way the seafood industry responded to the damaging article was through the distribution of an 80-page book-

Snack Foods

Consumers are still reaching for munchies, both old favorites and interesting new varieties. But they're also looking for the best deal, and that's taking a bite out of the category's margins.

■ If it's not new, make it exciting. That philosophy propelled the snack food industry over the past year, giving rise to a host of new products, reformulations and marketing campaigns aimed at invigorating existing lines. The result of all this activity, coupled with continued price discounting, has been a healthy gain in pound volume and a smaller increase in dollar sales overall in 1991 and into 1992.

New product introductions met with great success over the past year, creating welcome new sources of revenue for several of the industry's major manufacturers. Keebler Company, based in Elmhurst, Illinois, has been particularly active with a growth strategy driven by product innovation.

In 1992 alone, Keebler has announced the introduction of eight new products ranging from the cookie product, Sweet Spots, to new pretzel offerings and additional flavor varieties in its O'Boisies, Club Crackers and Town House Crackers lines.

Quangles is Keebler's entry into the new multi-grain chip category, pioneered by Frito-Lay's SunChips. The multigrain market has taken off in the past two years and Keebler has high sales expectations for Quangles, now offered in Original and Monterey Ranch flavors.

Quangles is just the latest in Keebler's parade of

new products. Pizzarias, virtually the only pizza chip on the market, won the company a "Golden Edison" award from the American Marketing Association in 1991. According to a spokesperson, new, one-of-a-kind products such as Pizzarias are the key to the American consumer's insatiable appetite for experimentation. "The competition is fierce," he observed, "but on the other hand, there's a lot of opportunity."

Frito-Lay Inc. has created its own opportunity with SunChips, its multigrain innovation. According to the company, SunChips posted a remarkable \$100 million in sales in its first year on the market. To capitalize on the fast start, Frito-Lay is putting its highest ever second-year advertising budget behind the product, while also introducing a new harvest cheddar flavor, a spokesperson said.

The marketing strategy behind supporting SunChips relies heavily on extensive couponing and sampling campaigns, the latter being conducted in part with American Airlines. According to the company, in today's market "trial is key." Hence, Frito-Lay's choice of sampling promotions that are backed by such catchy advertisements as SunChips' 15-second word-play television spots.

The multigrain category shows every sign of becoming an established part of the snack world as other major snack companies rush to get their products on the shelves. Borden rolled out its Graingers snack this year, eager to grab a part of snack food's largest growth area. A company spokesperson noted that products such as Graingers also fulfill retailers' demand for "new products that generate incremental volume for the total snack category."

The potato chip segment, which is the category's largest, continues to be buffeted by fierce price competition. But despite painfully slim margins, manufacturers have unleashed a flurry of reformulations and line extensions to breathe some life into the market.

Frito-Lay has been busy "reinventing the chip" by upgrading its offerings with a higher-quality potato, an improved cooking process and more dense packaging, according to its spokesperson. To make the consumer try the reformulated chip, Frito-Lay launched its updated "Too Good To Eat Just One" advertising campaign this summer, featuring basketball greats Kareem Abdul Jabbar and Larry Bird.

Similarly, the company hopes to boost sales of Ruffles potato chips with a catchy "Get Your Own Bag" ad campaign that depicts a series of humorous situations. And



Frito-Lay considers its Ruffles Lite product a breakthrough as a "better for you" snack product that also tastes good. He notes that most snack consumers are not willing to trade off taste for a healthier bite.

Borden is in the process of launching a new national potato chip brand under the company name. In what remains a strongly regional market, the new product will supplement Borden's current national offerings, including Krunchers, as well as its popular regional brands. The company is also coming out with new products under the Borden name in other snack categories in an effort to improve its access to multi-regional chains.

Keebler's main focus in the potato chip segment was the addition of a cheddar flavor to its O'Boisies line, while Eagle has extended its line with an Eagle Thins Sour Cream and Onion chip.

Growth in the tortilla chip market has been driven by restaurant style chips, with Frito-Lay's Sanitas and white corn Tostitos leading the pack. To invigorate lackluster sales numbers in its Doritos line, Frito-Lay reformulated the nacho cheese product and brought in heavyweight George Foreman to spearhead a new advertising campaign.

Frito-Lay's "try it and see" emphasis was once again in evidence in its give-away campaign on May 2. The company recruited 13,000 employees to pass out samples of the "new" Doritos at supermarkets across the country. Its spokesperson called the promotion "a big success in terms of communicating to the consumer that you (the company) really believe in the product." He added that retailers seemed equally impressed with the campaign.

Frito-Lay also promoted Doritos in its special 1992 Super Bowl "Counter-challenge." The live comedy show sponsored by the company on the Fox television network garnered an impressive 40 ratings share during the Super Bowl halftime

break, energizing sales of Frito-Lay's flagship tortilla product.

Anheuser-Busch's Eagle Snacks has taken a determined shot at the tortilla chip market and now claims a five percent market share, according to president Kevin Bowler. This places Eagle second only to Frito-Lay in the tortilla category. Eagle's fastest growing entry there is the El Grande premium restaurant style chip.

While sales of low-salt chips grew at a strong clip in 1991, rising 36 percent according to the Snack Food Association (SFA), no-salt and low-oil varieties both experienced a decline, giving credence to the notion that although the consumer may think about nutrition, taste is still what counts.

According to the Food Marketing Institute's "Trends '92" survey, shoppers are reducing their consumption of snack foods while eating more fruits and vegetables. At the same time, 77 percent of those surveyed said that taste outweighed nutrition and 75 percent ranked taste higher than price as a consideration when selecting products.

When asked about the importance of the salt, fat and cholesterol content of their food, consumers delivered decidedly mixed responses, indicating that nutritional considerations don't necessarily translate into any specific changes in buying behavior.

The one industry segment that has benefitted from a more health-conscious population is pretzels. In 1991, the SFA reported that pretzels turned in a surprising 25.6 percent jump in dollar sales and an 18.5 percent gain in pound volume. Two factors are working in favor of the pretzel today—low fat and low price. And the segment's renewed appeal to consumers has not escaped manufacturers.

According to Borden, its pretzel sales in '91 were up 35 percent from the previous year, prompting the company to reopen a dormant production facility. Since acquiring Quinlan Pretzel Company of Denver,

Borden has aggressively promoted its products with temporary price reductions and strong distributor incentive programs. Its spokesperson said the company feels that "Price is the major factor. The consumer is going to buy what is perceived to be the best value."

Eagle's Bowler expressed alarm that price-cutting in this as well as other snack market segments is allowing tonnage growth to surpass that of dollar sales. Still, Eagle boosted its presence in the pretzel market in the past year by introducing a

The potato chip segment continues to be buffeted by fierce price competition. But despite painfully slim margins, manufacturers have unleashed a flurry of reformulations and line extensions to breathe some life into the market.

new line of stick, twist and Bavarian sourdough products.

Frito-Lay also targeted the growing number of pretzel fans by beefing up promotion of its Rold Gold brand, and Keebler revamped its pretzel line to include two new items, traditional knots and Bavarian pretzels.

The pretzel is also being parlayed into a new kind of snack, the "chip-cracker crossover," as exemplified by Nabisco's Mr. Phipps. This new "pretzel chip" was one of several popular product introductions in the past year that make crackers more snackable. Snacklin' Cheddar Cracker Chips is Keebler's latest foray into this area.

Yet another attempt to spark consumer interest in snacks is a new wave of bite-sized products. Easily consumed, the bite-sized product has quickly proliferated on both cookie and cracker shelves. Virtually all of

Continued on page 164

Soft Drinks

Big bottlers and retailers alike know that the days of double-digit sales growth for traditional colas are over. And for many, the "new wave" of growth in the soft drink category is quite clear.

The two major U.S. soft drink manufacturers, Coca-Cola (Atlanta) and Pepsi (Somers, N.Y.), are finding their overall sales and earnings buoyed by a rising tide of overseas demand.

And that's good news for them, because after years of healthy sales increases spurred by diet and caffeine-free line extensions, the cola market has evidently matured. And while the latest "new" Coke, called Coke II, will turn heads as did Pepsi's redesigned packaging, neither will jolt cola—and total soft drink sales—back to the double-digit increases of yesteryear.

With this now slow-growing cola segment at its core, dollar sales for soft drinks in supermarkets grew 3.7 percent, to \$12.5 billion, from 1990 to 1991, according to SUPERMARKET BUSINESS's 1992 Consumer Expenditures Study (CES). While respectable, especially given the huge volume base, it nevertheless was flatter than the category's 5.2 percent gain from 1989 to 1990.

A closer look shows that canned soft drinks lost the most effervescence from 1990 to 1991. Sales growth stumbled from an 11.9 percent gain in 1990 to 1991's flat 2.1 percent increase.

Canned diet soda, which grew 12.6 percent in 1990, slimmed down to a 2.9 increase in 1991. But that still beat canned sugared's skimpier 1.4 percent gain. Diet bottled sodas also outpaced sugared, by 2.3 percent vs. 1.2 percent.

The real sparkle in the category this year is at the fringes. Private label brands have picked up at least a point in market share from 1989 to 1991—industry estimates put the new total at 7 to 8 percent—and retailers can expect further gains as the major brands and bottlers try to raise prices to a consuming public demanding value.

"New Age" beverages, meanwhile, have come to life, linked with the growing popularity of bottled water. Each is considered a healthy alternative to both the untrustworthy stuff coming out of the faucet and to heavily sugared colas and traditional soft drink flavors.

Hot growth for cold drinks

Iced tea and coffee are also showing dramatic potential, despite the lagging sales of their hot-beverage counterparts. Bottled and canned tea, led by an all-natural, multi-flavored line from Snapple (Valley Stream, N.Y.), surged 34 percent by early 1991 and posted 1991 sales of \$400 million, according to Nielsen Marketing Research.

The triple-digit sales gains of Snapple's iced tea products didn't escape the attention of the industry giants. In early 1991, Coca-Cola formed a joint-venture company with Switzerland-based Nestle. By January 1992, the new Coca-Cola Nestle Refreshments Co. (Tampa, Fla.) made its first big U.S. product introduction, Nestea Iced Tea. The product, with natural lemon flavor, comes in sugared and Nutrasweet options, packaged in cans, bottles and refrigerated cartons.

Also in early 1992, Pepsi and Thomas J. Lipton (Englewood Cliffs, N.J.) formed a partnership to distribute canned Lipton Brisk Iced Tea, which Coca-Cola had dropped. The Pepsi/Lipton partnership also introduced a new, brewed version called Lipton Original. "It's made the same way you would make it in your kitchen," says a spokesperson. "They strain it, and bottle it immediately, with no preservatives."

While directly competitive with Coca-Cola's Nestea, Lipton Original has an unsweetened version as well. But in stark contrast to its end-game with Coke in the brown cola segment, "there's a lot of room to grow in the ready-to-drink tea market," he said.

Others pooling tea-making resources this year include A&W Brands (White Plains, N.Y.) and Tetley (Shelton, Conn.), with a new six-item line, and VIHO Beverage



DEBBIE TILLEY

45th

ANNUAL CONSUMER EXPENDITURES STUDY

Soft Drinks

Co. and 4C Foods Corp. (Brooklyn, N.Y.) with a four-item debut.

Snapple rival Best Health's, distributed by Brooklyn Bottling Corp., got into iced tea in mid-1991 with a four-flavor product launch, touting its spring water content. Everfresh Beverages (Purchase, N.Y.) joins this year with five items. And Perrier has a licensing agreement with Celestial Seasonings (Boulder, Colo.) for a regional introduction of herbal iced teas in the West.

With all this activity, and with Coke/Nestea and Pepsi/Lipton

and cold coffee in Japan is still perking along at a 10 percent annual growth rate.

In October 1991, before it introduced its Nestea product in the U.S., the Coke-Nestle joint venture introduced Nescafe iced coffee in Korea. Along with expanding worldwide distribution for both those products, the joint-venture company plans to introduce Nestle chocolate beverages around the globe.

When it does, it won't be the first product that offers chocaholics something to drink besides chocolate milk and Yoo Hoo. Jeff's Amazing New York Egg Cream (New York), introduced in 1989, is now available in 20 states. The carbonated beverage is now available in chocolate, vanilla and strawberry flavors, in regular and lower-calorie versions.

Bracing for the onslaught

As demand for cold coffee grows, look for an explosion in line extensions, as manufacturers give consumers the ready-to-drink equivalent of one lump or two; unsweetened or Nutrasweet; light, dark and black; full-fat and nonfat; caffeinated and decaf; each multiplied by an ever-widening assortment of flavors.

The actual number of brands and line extensions—and retail reaction to it all—remains to be seen. But while retailers often decry the need to stock two, three or four new SKUs where one sufficed in the past, few are complaining about the new alternatives to low-margin Coke and Pepsi—or the opportunity to regain a measure of control over their beverage aisles.

"The retailer is always better off when he controls his own destiny," says Jules Rose, chairman of Sloan's Supermarkets (New York). The dual entry of new-age and private label alternatives, he adds, have been particularly liberating at Sloan's urban stores, even though shelf space there is at a premium.

"The colas used to dominate to such a high percentage; the private labels were not a great factor. As a result, the category

used to be under the manufacturer's power." The problem with limited retail control, Rose says, is that what's good for Coke and Pepsi isn't always best for the retailer.

"Depending on the demographics of a particular market at a particular time, a retailer might want to feature a new age beverage, or a smaller-sized product," particularly in areas dominated by college students or other single-person households, with relatively few large families. "That comes into direct conflict with the big soda companies, because they want to feature the largest size possible of the strong, flagship part of their brands."

Larger multi-packs

Retail and manufacturer interests aren't always at loggerheads, of course. Larger multi-packs, with 12 or 24 cans, don't have as much potential in city stores where most shoppers arrive on foot. But in suburban stores, the bigger packs work well in high-impact, traffic-building displays.

"The 12-packs are a good package for us," says Pepsi's spokesperson. Along with the extra tonnage, "we can do more with graphics" on the 12-can case, "and present a better display in the retailer's store."

Bigger packs also mean fewer out-of-stocks at the consumer pantry level. That's helping per capita soft drink consumption rise toward the 50 gallon mark—a boon for retailers and manufacturers alike.

But if per-capita consumption is at a high-water mark, retailers would find the soft drink category sweeter if it was valued as much for its earnings as its power to bring customers into the store.

"This is predominantly a 12-pack market," says Denny Allison, a buyer at Fulmer Markets, with 12 stores in western Ohio. But even there, traditional brown colas are "at a break-even point," with "zero growth" and "zero gross."

Allison notes that manufacturers don't tell retailers to institute unprofitable pricing policies. "We've done that ourselves," he

With per-capita consumption at a high-water mark, retailers would find the soft drink category sweeter if it was valued as much for its earnings as its power to bring customers into the store.

competing aggressively, industry watchers say the \$400 million ready-to-drink iced tea category could easily double in size.

Stimulating sales potential

While the hottest growth in cold drinks may well be iced tea this year, iced coffee is a category to watch in 1993. The concept of "cold coffee" may seem unappetizing to some. But call it iced cappuccino, and you may have a winner.

That's what Kraft General Food's Maxwell House division (White Plains, N.Y.) is hoping, as it rolls with its recently-launched Cappio brand, cannonballing the smaller splash made last year by Chock Full O' Nuts' Choc o'ccino. It won't be long before soft drink makers follow suit.

The upside potential? Look at Japan. According to Coca-Cola Nestle Refreshments Co., the Japanese stay alert with an astounding \$5.6 billion worth of iced coffee every year. That's 57 percent more than Americans spent on canned soft drinks—

says, to help build customer traffic. But despite the differences in their markets, Allison, like Rose, is cheered by the growing popularity of alternative soft drinks. "We see a real trend toward the flavored waters. And they do give us a chance to get some gross profit."

Private labels gain

Private label soft drinks benefit from bigger case sales as well. They're also benefiting, Rose notes, from an increase in publicity about the closing of the "taste gap" between Coke, Pepsi and private label alternatives, in publications ranging from *Consumer Reports* to *The Wall Street Journal*.

While a 1984 taste-test by *Consumer Reports* found big differences between private label colas and leading brands, its mid-1991 article on the subject found the distinctions more subtle. CR advised readers to simply shop on the basis of price.

The Wall Street Journal, meanwhile, noted that at some chains such as Loblaw Cos. (Toronto), the mid-1991 introduction of its President's Choice cola boosted the 135-store chain's private label cola sales from a 10 to 50 percent share in less than a year.

Cola commitment continues

The growth prospects for big brand cola in the U.S. have flattened. But Coca-Cola and Pepsi aren't about to ignore the category. Along with the Olympics, Coca-Cola sponsors a torch relay in Spain and, in the U.S., a sweepstakes called "Medals and Millions."

Coca-Cola ties into other sports events—such as major league baseball—by offering free Donruss trading cards in its soft drink packages, and new, round cards on lids of fountain drinks sold through many Hardee's outlets. Along with the bat-men, Diet Coke rejoins Batman for his return to the screen this year.

While the cola wars have cooled along with the category's growth prospects, Coca-Cola takes a direct jab at Pepsi in the campaign for Coke II, which

moves from its two-year test in Spokane, Wash. to other markets this year. The new slogan: "Real cola taste, plus the sweetness of Pepsi."

Pepsi, of course, will do everything it can to convince retailers that they don't need more than one product that has "the sweetness of Pepsi." And their representative stressed that the company won't be abandoning its big brands as it ventures into new waters.

"It's still the bread and butter of our business," he says. While growth has slowed in the last two years, he adds, it's still on a big base. "When you consider the size of the regular cola drink business, a one-percent increase in growth might be a larger increase, in dollars, than that generated by all of the flavors."

Ushering in a new age

But if commitment to cola continues, Pepsi's most significant new product activity focuses on the "new age" segment of the market. In April, Pepsi introduced its Crystal Pepsi, a clear, lightly sweetened product which is intended to sell at a premium price. The company calls it "the most provocative new product introduction" since diet soft drinks were reformulated with Nutrasweet.

So far, the product has been distributed in only a few markets, including Colorado, Dallas and Rhode Island, but Pepsi is encouraged by the early results. "Sales for Crystal are not taking away from cola." Clear and brown colas, he adds, appeal to different consumers.

While Sloan's Rose contends that "Crystal Pepsi is an oxymoron, in that it's not Pepsi," he basically agrees that new age beverages have considerable potential to generate incremental sales gains.

"They're not me-too items," Rose says. "They're not line extensions. They're a category within a category, and they're bringing new consumers into the cola aisle—non-cola consumers."

Rose traces the growth of the category to the 1980s, when people first got accustomed to

paying for water in bottles.

"I think Perrier entering into the flavored water market really helped Best Health's and Snapple," he says. "The flavored waters have been very well accepted." The new age brands, Rose adds, "aren't new, they've been around for a long time. But suddenly, they're a lot more popular."

So far, Coca-Cola has refrained from offering a "Crystal Coke." But it's revived the old Fresca flavor, first introduced in 1966, and re-introduced with Nutrasweet in 1985, with new

While the cola wars have cooled, Coca-Cola takes a direct jab at Pepsi in the campaign for Coke II, which moves from its two-year test in Spokane, Wash. to other markets this year.

packaging that positions it more aggressively against bottled waters and seltzers, according to the company. The brand's second national rollout began in February 1991.

Hard-to-define, but growing

While retailers and manufacturers know "new age" growth when they see it, the category is not so easily defined. (There's no "new age" category in this year's CES, for example. But the category's growth helps explain how soft drinks grew 3.7 percent in sales during a year when cola growth was flatter).

"You can define 'new age' anyway you want," Pepsi's spokesperson says. "As far as Crystal Pepsi is concerned, I would define it as a cola that's caffeine free; a sugared product, but with fewer calories than regular Pepsi." Will there be a sugarless line extension? "I wouldn't rule it out," he says.

While Pepsi's clear-cola sales are now a drop in its brown-cola bucket, recent history shows that seemingly minor line extensions have a way of gaining a life of

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Tobacco

**Even confirmed
cigarette smokers
will draw the line if
they have to spend
too much. That
growing constituency
appears to be driving
the growth of the
price-value segment
of this high-volume
category.**

Subtle shifts in consumer preferences—urged on by price increases, higher “sin” taxes and declines in overall consumption—are driving the cigarette industry headlong into the price-value segment of the business.

The trend is undeniable. For the 12 month period ending in March 1992, the last period for which data are available, the price-value segment had a 27.8 percent share of the total market, according to John Maxwell, author of *The Maxwell Report* and an analyst for Wheat First Securities (Richmond, Va.). That compares to a 12 month moving average in June 1991, of 22 percent.

The price-value segment is actually composed of four sub-categories: branded generics, generics, sub-generics and the so-called black-and-whites or private label brands. All are sold at prices less than traditional brands.

The business is dominated by such brands as Doral, from R.J. Reynolds (Winston-Salem, N.C.), Cambridge, from Philip Morris (New York), Richland, from Brown & Williamson (Louisville, Ky.), Misty and Bull Durham from American Tobacco (Stamford, Conn.) and Pyramid from Liggett Group (Research Triangle, N.C.).

“With all the new product we’ve seen in this category, it’s altogether possible we may yet see some new [sub]classes emerge,” Maxwell noted. “You

only need to achieve about a one-half of one percent share to make a brand viable today.” A one percent share point is worth about \$150 million at retail.

To be sure, that growth has come at the expense of the full-priced segment, which to some extent has been cannibalized by the lower priced introductions, according to Maxwell. But overall, the strength of the category has helped level off unit decline at between two and two-and-a-half percent per year, he said.

“I think we’re getting to a point where everyone who’s going to give it up (cigarette smoking) has already given it up,” he said. “I think we may start to see it move the other way.” But others, noting red-hot demand for nicotine skin patches, anticipate an accelerated decline in unit sales.

For now, the industry continues to be driven by new product introductions and line extensions—many, but not all of which have been in the price-value segment. In many instances that brand activity has helped shore up or recover market share for the suppliers.

Philip Morris has further widened its market share lead, according to Maxwell, recording a 0.3 percent boost in share to 43.2 percent overall for the trailing 12 months ending last March, as compared with the 12 month period ending in June, 1991.

Brown & Williamson was the only other gainer in share, moving to 11.4 percent from its previous 10.2 percent.

While American Tobacco remained flat with a seven-point share, the other major manufacturers experienced some slippage, according to Maxwell, including a 0.2 percent dip by Liggett to 3.3 percent, and a 1.2 percent drop for R.J. Reynolds, to 27.8 percent.

As with cereal and frozen novelties, it costs manufacturers less to introduce a cigarette line extension than to build a brand from scratch. Industry estimates put the cost of extensions in the \$30 to \$50 million range; new product launches can cost four to 10 times as much.

The payoff for a line extension, meanwhile, can be considerable, even if it seems to fall into the “me too” category. The idea of a lower-tar product touting Marlboro flavor may have seemed redundant in June 1991, when Philip Morris introduced Marlboro Medium. The company, after all, had been marketing Marlboro Lights for more than a



DEBBIE TULLEY

Tobacco

decade. But the new brand ended up appealing to many smokers who had been turned off by the low-tar options that had been available.

A full 67 percent of current Medium smokers, according to Philip Morris research, switched to the brand from a full-tar product. And 60 percent of those now smoking the cork-tipped product, which was pictured amid cowboy gear in print and outdoor advertisements, are men.

The bottom line: Marlboro Medium now has close to 1.5

cigarettes, including regular Camels.

Wider cigarettes, available in Europe for years, have a "substantial share" of the market in some countries, such as Belgium and France, Carter adds. "They have their widest appeal among male smokers, aged 30 and older, who appreciate a smoother tobacco taste."

While Medium 100s and Wides are the two most recent examples of how cigarette makers try to differentiate their products, the tobacco industry has long tinkered with length, girth and nicotine count. Most recently, Philip Morris extended (shortened, actually) its Benson & Hedges brand. The product, which had always been available in 100-millimeter lengths, is now being sold in a "pocket pack" regular length.

And while Philip Morris hasn't yet introduced a wider cigarette, it has been marketing its super-skinny Virginia Slims Superslims nationally since October 1989. Along with a circumference of 17 millimeters, the slender, ultra-low tar cigarettes appeal to women who want to light up but don't want to offend others, with 70 percent less smoke emitted from the lit end than the leading 100-millimeter cigarette.

Merit Ultima, meanwhile, is Philip Morris's most significant recent low-tar line extension, with a mere 1 mg of tar and 0.1 mg of nicotine. The extension, introduced in January 1992, supplements the regular Merit brand, which weighs in with 2 mg tar and 0.2 mg nicotine per cigarette.

Perhaps because of its expanding involvement in the food business, RJR has updated the packaging of its products along with the contents. It introduced a new plastic overwrap, said to keep its products fresher longer.

Together, RJR, Philip Morris, Brown & Williamson and others have spent hundreds of millions of dollars building databases which reportedly track the brand preferences of close to 70 percent of the nation's 40 million smokers.

Philip Morris used its ocean of

data to nudge Camel and Winston smokers toward its Marlboro Medium brand with an elaborate direct-mail campaign, including coupons valued at \$8 and sample packs of the new cigarettes. The company is also reportedly using a targeted marketing strategy for Merit Ultimas, while RJR launches a targeted effort to promote Camel Wides.

Closer aim

Industry observers expect micromarketing efforts to intensify as it becomes less and less cost-effective to reach the diminishing ranks of smokers through mass media vehicles.

That doesn't mean, however, that the industry won't have to continue putting out public relations fires, which are often sparked when an advertising campaign works too well. RJR's Old Joe, for example, has become so well known that he has become a lightning rod for anti-smoking sentiments.

Last June, the American Medical Association staged a protest in Chicago during its annual convention, charging that the icon is an attraction for young children to begin smoking. The AMA earlier released a study claiming that Old Joe is as recognizable a character as Mickey Mouse to six year olds.

Despite that, RJR is standing firm, rejecting the claims. Its new flavor seal packaging for Winston, meanwhile, continues to gain acceptance and Doral remains a leader in the low priced segment.

American Tobacco's new product efforts are focused on hopes for another winner with the introduction of Riviera, a new menthol, positioned in the low priced category. Unlike Misty, which has a predominantly female market, Riviera is being targeted at both men and women.

American's newfound aggressiveness in the low price arena is believed to be a key factor in the halt of its market share slide over the past two years. With such success, the company is expected to continue its push in the price-

Together, R.J. Reynolds, Philip Morris, Brown & Williamson and others have spent hundreds of millions of dollars building databases which reportedly track the brand preferences of close to 70 percent of the America's 40 million smokers.

percent of the overall cigarette market, and was a key factor in Philip Morris's 0.3 percent gain from June 1991 to March 1992. And in June 1992, the Medium brand extension got an extension of its own—Marlboro Medium 100s.

The most significant product development at R.J. Reynolds is also a line extension, which it hopes will sustain the momentum of one of the most successful re-launchings of a brand ever undertaken: Camel Wides, introduced nationally March 1, are available in full flavor and light varieties, and are sold in hard packs. The slightly larger size—29 millimeters vs. 25-27 millimeters in circumference—make Wides "stand out from the clutter" of other cigarettes, according to a company spokesperson. They're also a bit shorter—80 millimeters, versus 85 millimeters for conventional

Tobacco

value segment.

For its part, Brown & Williamson has introduced Savannah Lights, a slim 100 millimeter cigarette in both regular and menthol, positioned in the extra low-price category. The launch has so far involved Florida, Georgia and Alabama, all part of an area that represents 15 percent of all slim cigarette sales in the nation.

"This product reflects a quality choice at good value—the right style, the right taste, the right package and the right price," said Robert Fitzmaurice,

tions appear to be having their desired effect, many retailers still bristle at the thought of further product proliferation in cigarettes. While instore space problems are most often cited, the required inventory investment can sometimes be too high, they said.

There are currently well over 500 brands and packings available in the marketplace. Complicating the scenario further is increased concern over shrinkage resulting from the higher prices of the full priced brands. The result has been a merchandising trade-off: many if not most supermarket merchants, now keep their cigarettes under lock and key, usually in a serviced department with limited hours of access. Security has improved—at the cost of additional sales.

"It's a difficult position to be in," offered one Midwestern buyer. "For every carton that walks out the door, you need to sell more than a dozen others just to break even."

Moreover, just as the cigarette companies are fighting it out for market share, so too are other classes of retail trade, in particular, convenience stores and drug chains.

According to estimates by one company executive, supermarkets have averaged a 2-3 percent decline in retail market share, while convenience stores, which have aggressively promoted price and selection, have picked up at least two points in the last few years.

While supermarkets are still the dominant class of trade for tobacco product sales, their overall share has edged downward to 48 percent of the category total, according to SUPERMARKET BUSINESS's 1992 Product Preference Study (March 1992, page 40).

Convenience stores, meanwhile, have a 12 percent share, and smaller food stores have 10 percent, followed by drug stores (8 percent) and mass merchandisers (7 percent), according to the Product Preference Study.

Not all supermarkets are content to see bits of their current tobacco share go up in smoke.

An increase in individual pack sales has enabled individual dollar sales to remain flat or slightly up, according to Mike Calvo, a buyer for Save Marts, Modesto, Calif.

But in states like New Jersey, where convenience stores have aggressively promoted cigarettes at the state minimum price, many supers have also followed suit, usually to the detriment of both sales dollars and margins, according to Steve Ravitz, owner of Supermarkets of Cherry Hill, a Shop-Rite co-op member.

"We've noticed that supermarkets are having a great deal more difficulty in merchandising cigarettes" because of these pressures, said Steve Stomel, president of Jos. Stomel & Sons, a wholesaler. "Over the last few years, we've noticed some chains decline from an average of 500 cartons per store per week, to about 250 cartons. They're also far more hesitant to take on new brands."

Yet even with such market pressures, cigarettes remain one of the most profitable merchandise categories and generate enormous cash flow.

With price increases boosting total tobacco sales above the \$12 billion mark, the tobacco category accounts for 4.42 percent of total supermarket sales, according to SUPERMARKET BUSINESS's 1992 Consumer Expenditures Study (CES). Price increases on cigarettes—\$11.8 billion of the \$12 billion total—kept the category growing, edging up 1.2 percent in grocery stores despite tonnage declines.

Sales of cigars (up 4.8 percent) and other tobacco products, including pipe and cigarette tobacco, smokeless products and snuff (up 3.0 percent) outpaced growth for the much bigger cigarette segment, and helped nudge total category sales up 1.3 percent, according to CES.

In smokeless tobacco products, the battle continues to be at the point-of-sale, through a variety of promotions and pricing offers that, beyond simply discounting or couponing, come very close to an entry into the price-value arena. ■

While supermarkets are still the dominant class of trade for tobacco product sales, their overall share has edged downward to 48 percent of the category total, according to Supermarket Business's 1992 Product Preference Study.

senior vice president of marketing and sales.

It's the first major new brand launch by B&W since it introduced Capri in 1987.

All of it comes at a time when B&W has experienced a 31 percent gain in volume over the prior year, according to a spokesperson for the company.

Lorillard (New York) has introduced its first sub-generic brand—Style—available in six different packings. The brand is geared principally to women and will undergo a national rollout in January, according to Richard Orcutt, senior vice president, sales.

Lorillard has also become aggressive with couponing programs for both its full-price and off-price brands. "Consumers have come to expect it, and I think that's marvelous," Orcutt said. "The benefits go straight to the consumer."

While most of the introduc-

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ANNUAL CONSUMER EXPENDITURES STUDY

Trading Cards

If kids ruled the world, you might need an aisle for the "fun" side of this emerging category. As it stands, the question is whether older collectors will look to supermarkets for "investment" opportunities.

Are we nearing the day when most aspects of the country's culture will be summarized in trading card form?

Trading card vendors, seemingly determined to scratch consumers' every itch, are stamping out cards in unprecedented variety, to appeal to potential collectors with wide-ranging interests.

New non-sports or entertainment cards now document a wild and woolly array of subjects, ranging from the characters of currently popular movies to the savings and loan scandal, from bird watching to bass fishing.

Sports cards have themselves expanded well beyond the four major sports of baseball, football, basketball and hockey, broadening their audience to the middle-aged, who are likely never to open the card packs they buy as investments. New premium sports cards, with artwork and construction that would have been unimaginable to the young boys who bought the bulk of cards years ago, almost seem to demand preservation under plastic in an album.

"All the major sports cards vendors now have premium and regular card lines; it's like buying gasoline," observes Scott Kelnhofer, editor, Card News (Iola, Wis.).

With the proliferation of new card lines, supermarket buyers and the distributors who manage

stores' card categories face bewildering choices in targeting assortments to often highly-selective collectors. And a surge of new card vendors in recent years has inevitably led to predictions of an industry shake-out.

But despite these concerns, trading card vendors seem to have done their homework regarding consumers' demand for cards.

Premium sport cards, including Topps' Stadium Club in its second year, Fleer's Ultra line launched in April, Donruss's Leaf and Pro Set's Platinum cards, are in hot demand. Non-sports cards, meanwhile, posted soaring sales in 1991, accounting for half the total market growth, swelling the ranks of collectors by an estimated six percent, according to a spokesperson for Sky Box (formerly Impel Marketing).

Most vendors agree that trading card dollar sales grew about 15 percent from 1990 to 1991, reaching \$1.6 billion. LBC Sports, maker of Action Packed cards, sees card dollar sales growing at a rate of better than 40 percent, based on an LBC-sponsored survey of 45,000 households.

According to the study, household penetration increased from 13 percent to 15 percent as respondents bought 16 percent more cards.

The trends bode well for supermarkets, which industry sources estimate had a 17 percent share in 1991. Card variety has boosted sales as the higher priced premium and entertainment cards allowed better margins. Community Cash Supermarkets, Spartanburg, S.C., is one retailer expanding its department year-round.

"It hasn't quite settled down yet, but I think trading cards is a category with a lot of potential. If you have a store in an area where there's a pocket of collectors, they will buy everything you can get," says Jim Key, nonfoods buyer.

Having carried cards in shippers on an in-and-out basis, Key this year is creating permanent four-foot Sports Market centers for cards, adjacent to the magazine section in five stores.

Premium cards, in an assortment which includes Donruss and Fleer, have boosted profits. "The profits are probably equal to or better than any other general merchandise department," said Key. "It's not very price sensitive; if you've got it,

people are going to buy it," he said.

Getting the product has not necessarily been easy, in an industry where the practice has been to



DEBBIE TULEY

hold down supply, to spur demand for cards and build their value in the eyes of collectors and investors. The Stadium Club line was notoriously scarce last year, causing baseball, football and basketball cards with a normal suggested retail price of \$1.25 to sell at four and even five dollars a pack in some stores.

But that situation is apparently changing. Says Card News's Kelnhofer, "The Stadium Club cards are basically everywhere this year. Topps cranked up the press."

A spokesperson for Topps, the leading vendor in the field with 37 percent of the market, said "We're going to increase supply to a certain extent; hopefully that's going to keep the prices down." Even so, the Stadium Club's suggested retail is going up from \$1.25 to \$1.75, with the pack size increasing from 12 to 15 cards.

Topps is launching a second premium line by upgrading its Bowman line to a quality and price equal to Stadium Club. Will one line defeat the other? Their representative thinks not. "These will have a life of their own. People like the variety. We're convinced the market for these higher-quality cards is large enough," he says.

That's not all. For the under 10 year old segment, the vendor is introducing Topps Kids, sports cards at 35 cents for a pack of seven. Donruss/Leaf has already shipped a 264-card set for kids five to 12 years old.

An "innovation" over the summer was the introduction of Topps Micro Cards, a set of 792 cards that are one-seventh the size of regular ones, and sold in a single box. Also forecast was the introduction of "Round Trippers," a 144-card Topps set of round baseball cards at 89 cents a pack.

"We anticipate the appeal of the Round Trippers will be more to kids than serious collectors, but in this industry, who knows?" said the Topps representative.

Card consumers seem undaunted by premium card price points that even quadruple

the 50-cent price of a regular card pack. New cards being shipped by Action Packed this fall carry typical premium prices of \$2.49 for six football cards, \$2.95 for seven Legendary Player baseball cards. An 84-card series of reproductions of bird portraits by naturalist Roger Tory Peterson will sell at 10 cards a pack for \$2.49. Action Packed cards feature five colors, two coats of lacquer, embossing, stamped gold foil and, in some cases, 24 carat gold leaf.

Upper Deck, the dean of premium cards, branches out this year with "Wall Stars" wall posters, featuring U.S. Olympic basketball team members, according to Jay McCracken, vice president of sales.

"It's really too early to tell how successful this product will be. We had no trouble selling it in. Now we have to see what the consumer pull will be," says McCracken.

Two years ago, vendors ventured into national distribution of minor league card sets, catering to fans who look for top prospects. This past July, Sky Box launched a new pre-rookie line, while Fleer has unveiled its "Rookie Sensation" set and Upper Deck is planning the launch of its own minor league offering in November.

Non-sports cards comprised the category's hottest growth segment last year, and according to some vendors, the industry is still scratching the market's surface.

"Every American consumes entertainment—to the tune of \$300 billion per year in total. We just need to find and properly execute the right license to bring each and every one into the trading card market," says a spokesperson for Sky Box, which has the leading 39 percent share in non-sports.

He said non-sports cards accounted for half of the total card market growth last year, as their sales jumped from \$70 million in 1990 to \$200 million, about 15 percent of the total.

Targeting comic book fans ("They already have a collection mentality"), Sky Box shipped the

Marvel Universe Series III, a 200-card set featuring art by Marvel Comics artists. In the second half, Sky Box is shipping Star Trek, Disney and Garfield sets.

"There's a topic and a product for everybody," agrees a representative of Star Pictures, Inc.

Star Pictures last month shipped Saturday Night Live and Alien III card sets, as well as a "Wayne's World" set that "should appeal to the 25 percent of boys aged 12 to 17 who have seen the movie at least four times," she says.

Supermarket chains seeking to establish themselves with the consumer as a source for the latest cards have installed in-line departments, employed new vendor-supplied fixturing and cross merchandised around the store.

"Sports cards have a secondary market (for traders); non-sports cards are in many cases more like a toy than a collectible card, and they introduce girls into the hobby," says a spokesperson for Pro Set, whose licenses include Robin Hood, Beauty and the Beast, and the Little Mermaid. Play value is provided in Pro Set packs through activity cards such as 3-D cards and a 3-D viewer, punch-out and stand-up cards and static cling-on cards.

But the industry's general optimism on trading card growth is tempered in some quarters. "Eighty percent of the general public does not actively buy sports cards. There are 22 different National Football League licensed card sets this year. There are not enough collectors to support that many sets," says Card News editor Kelnhofer.

■ David Vozzek

Video

With video competition intensifying, supermarkets need to remember they don't have to be the cheapest—for their customer, a good food store video department is a convenience and a service.

In both rental and sell-through video, the supermarket channel is more than holding its own.

Children's titles are doing especially well, many sources say. In a difficult economy, video is inexpensive entertainment; low price in children's video in particular kept video cassettes turning.

Last year, retailers were concerned about a dearth of "A" blockbusters titles for 1992. They needn't worry, say video companies, who are officially bracing for a year-end blow-out. "The fourth quarter will be huge," says Bruce Pfander, senior vice president, marketing for FoxVideo, (Hollywood, Calif.).

And why not? In the midst of recession video is, vendors say, a cost-effective gift that keeps on giving ... and can even take your mind off economic malaise.

This Christmas, leading theatrical videos will include "Batman II," "Wayne's World," "Lethal Weapon III," and "Beauty and the Beast."

With an October 30 release scheduled for "Beauty and the Beast," Disney distributor Buena Vista Home Video (Burbank, Calif.) is predicting sales of over 15 million units for the title. If it happens, it would top the 14.2 million-unit performance of present leader "Fantasia," according to a

source from the company.

Columbia TriStar Home Video, meanwhile, has been taking orders for "Hook." "This is the first time our studio has taken a title direct from theatrical to sell-through," without going the retail route first, says David R. Pierce, senior vice president, sales. Usually, a film spends six months in theaters, then goes rental for six to nine months before being offered as a sell-through title. Columbia expects super holiday sales from the blockbuster "Hook."

Supermarkets were a pace-setting channel for sell-through video growth last year, partly because they have been flexible in adopting in-and-out promotions... often co-sponsored with a grocery goods vendor.

Overall, supermarkets grew their video sales 30 percent in 1991, says Bruce Pfander, making them the fastest-growing class of trade. Sell-through sales for supermarkets and drug stores were up 60 percent in 1991; rental was up 16 percent in those channels, he adds.

Indeed, of the mass merchandisers seeking to capture a larger share of the video business from specialty stores, supermarkets are seen to be leading the charge.

As a group, the mass merchandisers are becoming something to keep specialty video store operators awake at night. Sell-through share of supermarkets, drug stores and convenience stores grew from 11 percent in 1990 to 14 percent in 1991. Rental's share rose from 15 percent to 17 percent for the period.

But these gains haven't come at no cost. Margins, some operators complain, have virtually disappeared in their fierce efforts to offer the lowest price. "Club stores," notes Andrew M. Kailey, vice president, marketing for MCA/Universal Home Video, Inc., "have been selling them as such a loss leader that some independent video stores have been known to buy tapes there and re-sell them."

Still, the consensus of category observers is that three emerging trends will keep supermarkets committed to the category.

First, more and more supermarkets will reevaluate their pricing. Fox's Pfander predicts that food store operators will begin to rely more and more on their inherent convenience advantage.

"The supermarket doesn't necessarily have to be the cheapest guy on the market," he points out. "My guess is that you'll see a trend toward price increases, as more



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Video

grocery outlets begin to understand what a service video is to their customers."

The two other trends are *increasing sponsorship by movie vendors and packaged goods vendors of targeted value-added video promotions* for the highly-prized supermarket business; and *sharp growth in special-interest videos*, for which supermarkets are well-suited.

All observers note that more and more studio attention has been and will be paid to the supermarket business. Says Mindy Phillips, director of sales

"Entertainment typically grows during recession. Video benefits from the visibility supermarkets offer. Retail sales as a whole may be down; people can stay away from the malls. But they still need to go to the supermarket every week ..."

and marketing for MGM/UA Home Video, Inc. (Culver City, Calif.), "Supermarkets are of ever-increasing importance to the studios ... and the category is of ever-increasing importance to the supermarket."

Indeed, says Andrew Kairey of MCA, "Video plays an important role in keeping traffic in your store." Families with kids, he points out, rent an average of 11 tapes a month.

Unlike produce, it's one product that doesn't spoil, he points out. With enough copies of popular releases on hand, they don't wear out—rental "shelf life" lasts until the rentals drop off. Then, Kairey suggests, "Clean out your inventory, turning it into cash by putting it on sell-through." Children's titles and family films lend themselves especially well to this strategy, he adds. He knows whereof he speaks: It was MCA that released

the megahit "E.T."

As more supermarkets watch other supermarkets succeed in video, MGM's Mindy Phillips notes, "more and more companies are taking advantage of the opportunity, whether with sections inside the store, or adjacent outlets."

Especially when it comes to family titles, one reason for the supermarket's importance to video vendors is the usual: supermarket shopper demographics skewed to women and families.

And right now, another reason is the fit between category and class of trade. Adds Mindy Phillips, "Entertainment typically grows during recession. Video benefits from the visibility supermarkets offer. Retail sales as a whole may be down; people can stay away from the malls. But they still need to go to the supermarket every week—it's one outlet they *don't* stop shopping."

Last month, the 15th anniversary of Elvis Presley's death, saw MGM's release of "Elvis: The Lost Performances," a compilation of clips never before seen on video. It was expected to generate sales fit for a King.

Another reason for the video industry's interest in supermarkets is the mass-market promotional experience of the food field's players. FoxVideo's "first picks in promotional partners are always grocery related, because most packaged goods vendors already specialize in in-and-out promotions," Bruce Pfander says. Too, supermarkets "tend to have more flexibility" for adopting new promotions," he says.

FoxVideo joined Pepsi last year to fund a \$16 million TV advertising campaign supporting its sell-through release of "Home Alone." The promotion featured a \$5 rebate for purchase of the video and a Pepsi product. A house built from Pepsi cans was one eye-catching element of in-store support.

A \$10-million advertising budget and a 170-million coupon drop of \$2 rebates are part of FoxVideo's support for its recent launch of "Fern Gully," the animated feature, a

\$21-million box office draw. Purchasers of the "Fern Gully" tape and any one of 10 other FoxVideo titles will receive a \$5 mail-in rebate. Retailers who buy the pre-packs receive a movie-related cut-out free adventure set for their customers.

To help highlight "Hook," Columbia TriStar has developed a promotion with Ocean Spray. The promo offers consumers a \$5 rebate on the purchase of the title and two Ocean Spray products. "Ocean Spray is doing three FSIs for us," David Pierce says. "An additional \$7 million in broadcast will be part of the effort, and we're looking at tens of thousands of endcap displays." Such is the appeal of a grocery manufacturer partnership.

The marriage is made in heaven; it's getting to the altar that isn't always easy. "The timing can be tricky," David Pierce notes. "Grocery companies work so much farther out than we do—we have to wait to see how a title does in theaters before we can work together. This compresses the time frame for both of us."

Also out this year by FoxVideo will be "My Cousin Vinny." Somewhat less than "blockbusting" in theaters, the film is nevertheless expected to have broad sell-through appeal, the company predicts. Everything can't be a blockbuster in theaters, he adds. To win at the video game no less than in baseball, "Along with the home runs, you need a lot of singles and doubles," Pfander says philosophically.

Turner Home Entertainment was launching in the second half a \$5 million promotion for the 60th anniversary of "King Kong." A collector's gift pack features a restored version of the film, in a promotion co-sponsored by the City of New York, the New York Hilton and Towers, Universal Electronics and Delta Airlines, says a company spokesperson.

Supermarkets should view special-interest video as an opportunity with the potential to rival and exceed that presented

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Breakfast

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only company touting nutrition. Kellogg, which has attracted attention—and controversy—in the past over its use of high-profile health claims, continues to push the nutritional advantages of its products. But instead of talking in general about cereal's possible medical value in preventing life-threatening diseases, the specific focus these days is on fat levels.

"We produce 24 fat free cereal products, more than any other manufacturer," notes Kellogg's representative. That's out of a total of 45 cereal products. But the company is active in winning over its share of sweet-toothed customers as well.

New 1991 items included Cinnamon Mini Buns, Double Dip Crunch, Low Fat (but still sweet) Granola and Frosted Bran cereal, for those who want sweet taste with more fiber. Kellogg also recently introduced Nutri-Grain Nuggets in West Coast markets.

No ban on sugary TV ads

The idea of introducing an analog of a gooey chocolate-marshmallow campfire treats for kids to start their day seems almost as nutritionally irresponsible as Bill Cosby's rationalization to his wife that chocolate cake is okay for the kids' breakfast, because it has things like eggs and milk in it. In either case, kids are bound to rejoice. "Dad is great, Dad is great!"

But for now, at least, the issue of whether or not pre-sweetened cereals should be hawked at all by Saturday morning TV characters appears to be dormant. In mid-1991, however, cereal makers and others faced a challenge, first by food activists, then by the mainstream medical community, over their right to advertise pre-sweetened cereals on Saturday morning television.

The ad ban issue, which was first raised, then killed and finally buried by the Federal Trade Commission (FTC) in the 1970s, was jolted back to life once more in 1991, at the prompting of the Center for Science in the Public Interest (CSPI) and, later, by the American Academy of Pediatrics (AAP). A policy statement drafted by AAP's Dr. William H. Dietz, who also helped conceive Healthy Start, the organization's joint nutrition effort for kids in conjunction with FMI, called for the halting of kid-targeted ads featuring calorie-rich food, particularly breakfast cereal, candy

and snacks.

The organization eventually settled for a public service announcement steering young Saturday morning viewers toward fruit and vegetables.

Like rival Kellogg, General Mills achieved significant success last year with such new products as Triples and Basic 4. More recently, the company has focused its energies on strength-

ening its core brands.

From September 1991 to February 1992, General Mills rolled out Wheaties Honey Gold, the first line extension for its oldest cereal brand. The new flakes, sweetened with honey, are made from whole wheat and corn.

This year, General Mills shifts some emphasis back to the longevity of its original "Breakfast of Champions." Photos of

baseball legends Babe Ruth, Lou Gehrig and Willie Mays will be appearing on Wheaties boxes this Fall, alluding to the fact that Wheaties has been a national favorite since 1924.

General Mills also completed the national rollout of its Berry Kix product in July, according to the company's spokesperson.

■ Frank Hammel



Candy

Continued from page 98

new products. Along with the national rollout of peanut butter-flavored Snickers and M&M's last year, M&M/Mars extended its Milky Way, Skittles, Twix and Kudus brands.

This year, the company is expanding distribution of its most recent introductions—Dove chocolate bars and Milky Way II, which has 25 percent fewer calories and less fat than the original. (It follows last year's successful launch of Milky Way Dark.) The company also added an almond variety to its venerable M&M's line.

If Hershey's experience with its gold-foil wrapped Almond Kisses is any indication, there are plenty of almond-loving chocaholics out there. Terry Freisen, director of trade development, says the company is still riding the success of that product's September 1990 introduction.

"That was our hit," he says. "The interesting part is that it

was almost totally incremental sales—Kisses with Almonds had almost no effect on sales of regular Hershey Kisses." This year, Hershey updates its Reese's cups with crunchy peanut butter and peanuts-and-caramel line extensions, with a rollout planned this fall.

Kisses with Almonds, like regular Kisses, both benefit greatly from holiday-themed variations in foil colors, according to Hershey's Freisen. "Acceptance was tremendous," he says, of red, green and gold-foil wrapped Almond Kisses last winter. The company, which owns the Cadbury and Peter Paul brands, also rolls out Cadbury eggs every Easter, and added pastel foil-wrapped, egg-shaped Mounds and Almond Joy candy in the spring of 1991.

Holiday-specific products, even if limited to the color of a foil wrapper, can have a big payoff. And the holiday stakes, already high, are rising, according to the National Confectioners Association (NCA). Projected holiday sales this year will approach 43 percent

(\$2.9 billion) of the \$6.9 billion consumers spend on chocolate candy. That's up from 40 percent in 1989, according to NCA.

Halloween is still expected to lead the major holidays, with 37 percent of the projected \$2.9 billion in holiday chocolate sales, according to NCA. Christmas follows with a 25 percent share of the holiday chocolate dollar, and is followed in turn by Easter (18 percent), Valentine's Day (13 percent) and Mother's Day (seven percent), according to the association's figures.

In an effort to woo holiday sales from kids—and parents—Nestle has rescued Farfel, a popular puppet from the 1950s and 1960s, from the brink of oblivion. His updated likeness appears on poly bags of miniature Crunch, Baby Ruth and Butterfinger bars, on skis, skates and a snowboard. Farfel also appears on assortment packs featuring other Nestle brands—100 Grand, Chunky, Raisinets, Sno-Caps and Goobers.

Holiday-themed graphics also festoon Nestle's regular-sized

Crunch, Chunky, Milk Chocolate and Alpine White bars, and Nestle's Crunch and Alpine White Jingles. Winter scenes and gift boxes are also available for After Eight mints and chocolate-covered pecan-caramel Turtles, and Raisinets, Butterfingers and Crunch miniatures are also available in keepsake tins.

But despite all the charm and pizzazz, the rule of thumb for this category remains in force—what goes up (in price) must come down (in unit sales).

"The consumer has a good eye for the value-for-money aspects of candy," says Martin Pearce, senior vice president, marketing for Leaf. "Price increases clearly have an impact on the volume of candy we sell; there's no doubt about it. So we hold off for as long as we possibly can."

Last year's 10 to 12 percent increase on Leaf products was the company's first big price hike in close to five years, Pearce says. "In the soft market, for the past 12 months, it's definitely had an impact."

■ Frank Hammel

Presenting a compelling, profit-building case for featuring Washington apples this fall.

As you plot your fall apple strategy, consider the results of a recent Bishop Consulting study*:

Washington apples account for over 50% of gross apple profits, even in the fall. Some (us, for example) would say that's reason enough to stock and promote Washington apples in addition to local apples.

But wait, there's also this:

The same study showed that most apples sold in the fall—over 85%—are in traypacks, and the vast majority of those are Washington Red and Golden Delicious apples. Another good reason to make sure you keep Washington in your promotional mix.

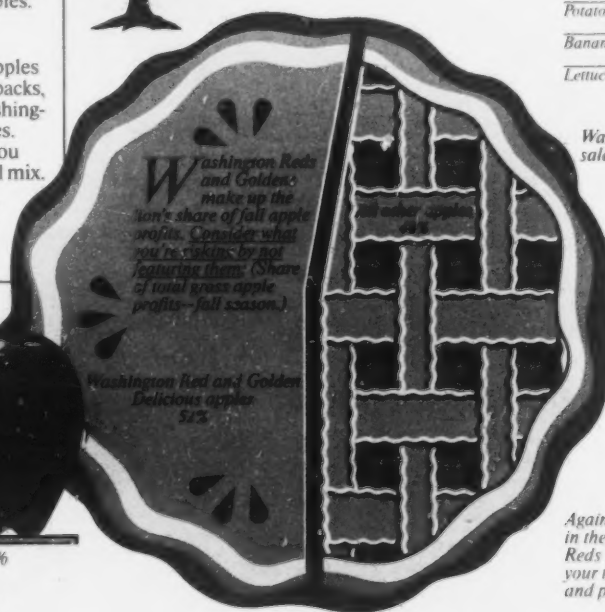
Seems that study made us look pretty good. But hey, why do you think we're running this ad?

When it comes to gross profits, apples come out in front. (Share of total gross profits.)



Washington apples alone account for more of your produce profits than tomatoes.

Washington grows more apples than any other state, so you can always count on finding your choice of any size or grade.



Apples account for the biggest slice of produce department sales. (Share of produce sales by item. Source: Supermarket Business, 10/19/91.)

Apples	11%
Citrus Fruits	7.5%
Tomatoes	6.7%
Potatoes	6.6%
Bananas	6.2%
Lettuce	5.8%



Washington Apples have over 50% share of all apple sales, and even outsell iceberg lettuce.

Before you put all your apples in one basket (or in this case, bag), remember that your customers want big apples. (Share of total apple unit sales—fall season.)

Total bag apples	14.3%
Total bulk apples	85.7%



Again, don't forget that even in the fall, Washington Reds and Golden Delicious drive your traypack apple sales and profits.

*Unless otherwise noted, the information presented is derived from scanner/sales data from three large regional supermarket chains in a study conducted by Willard Bishop Consulting, Barrington, IL.

Canned Goods

Continued from page 100

Segal, business unit manager. But distribution recently expanded from markets in the Northeast to the Pacific Northwest, Alaska and Hawaii for the 48 ounce, carafe-style bottles, which retail at a suggested \$2.49-\$2.59.

Ocean Spray is also busy building single-serving sales of existing and new products through its joint-venture arrangement with Pepsi-Cola Co. (Somers, N.Y.), which was announced earlier this year. Sales of multi-serve products to supermarkets are still handled by the company's existing broker network, according to Moreton.

The Pepsi partnership, Moreton adds, could bear fruit in the snack business as well. Ocean Spray has previously tested a spoonable, fruit-based pudding, called Spoonables, and a dried cranberry snack, Craisins.

Veryfine (Westford, Mass.), like Ocean Spray, is hot on joint ventures that boost cold-box sales for single-serve beverages. A recent summer promo paired single-serve Veryfine and Nabisco products. Consumers buying a deli sandwich and a Veryfine beverage got single-serve cookies and crackers for free. (Veryfine also markets juices and drinks in multi-serve sizes).

Nothing but the juice

Libby's Juicy Juice, a unit of Nestle Beverage Co. (San Francisco), hopes to squeeze more sales by reminding people of its 100 percent fruit juice content. Competing brands, it says, including Welch's Orchard, Tropicana Twister and Ocean Spray Cranapple, all fall short of the 50 percent mark; others, including Hi-C, Hawaiian Punch, Tang, Capri Sun Punches and Minute Maid Fruit Punch have only 10 percent juice. Juicy Juice also recently expanded with a toddler-friendly 4.23-ounce aseptic box, and the addition of an apple flavor.

ABA Holdings (Cranbury, N.J.), which bought Lakeland, Fla.-based Juice Bowl in June, 1990, makes no apologies for the 10 percent juice content in its new, four-flavor Blasters line. Instead, it urges consumers to "Get out of the box, get into the can"—its 7.7 ounce, fully-recyclable aluminum can, to be precise. Cellophane-wrapped straws are glued to each can, and four-packs retail for \$1.49. The four-flavor line is now being tested in New York.

The General Foods division of Kraft General Foods (White Plains) also offers no fruit juice in its Kool-Aid Bursts. But the packaging is different. The little plastic bottles feature accordion-shaped, flexible necks that kids find innovative and fun, according to a spokesperson.

Mott's USA, a division of Cadbury Beverages (Stamford, Conn.) hasn't made any major changes in its lines of bottled, aseptic, and cupped 100 percent apple juices, apple sauce and fruit snacks since 1986, according to a Cadbury spokesperson. The company builds brand awareness with a program supporting public libraries. Last year, she said,

that promotion provided \$500,000 worth of books and materials.

Regardless of how environmentally-friendly the aseptic box is, convenience-minded shoppers have decided that boxes are very consumer-friendly. That contributed to a 10.3 percent increase in 1991 sales, according to CES numbers.

They're retail-friendly too. In 1991, total aseptic sales (\$666 million) were little more than a third the size of those for fruit drinks (\$1.7 billion). But they contributed almost half as much gross profit—\$103 million, vs. fruit drinks' \$237 million, according to CES.

While box-sipping kids account for most of aseptic's consumer base, McCain USA (Rosemont, Ill.) targets adults with 12-ounce aseptic boxes of its Boku juice coolers, which use a pull tab instead of a straw. In July, the company debuted 10, 16 and 46 ounce glass bottles as well, and added a four-item sub-line, Boku Anytime Coolers. Also available in aseptic or glass, the line of flavored tea and lemon/lime-ade retails for \$.79-\$1.35. And like Libby's, McCain has a 4.2 ounce, six-flavor line of 100 percent juice for toddlers, called Junior Juice.

While vegetable juice sales dipped 2.1 percent to \$321 million in 1991, Campbell Soup Co. (Camden, N.J.) is "quite pleased" with incremental sales gains of its sodium-reduced V8 line extension, Lite & Tangy, which was introduced nationally this past Spring, according to a spokesperson.

Unlike its existing ultra-low sodium V8 product, Lite & Tangy is not intended for people on medically-supervised low-sodium diets. Instead, he said, it targets the broader group of consumers who want a reduced-sodium product with a widely palatable taste.

Lowery adds that Campbell proceeded with caution before introducing the line extension. "V8 is one of the top 50 super-market items in the country," Lowery says. "We wouldn't want to introduce a product that's cannibalistic to that."

Souping up lines

Campbell also continues to strive for tonnage gains in its red and white soup business with ingredient soups. The 1990 introduction of Cream of Broccoli—which had been "the largest new soup introduction in 55 years," according to the spokesperson, was a tough act to follow. But he added that its 1991 heavy-hitter, Broccoli Cheese soup, was expected to be "just as successful."

Encouraged by the strength of its value-priced ingredient soups, which serve as a low-cost alternative to premium-priced cooking sauces packaged in glass, Campbell also has high hopes for two new cooking soups—Golden Corn Soup and Italian Tomato.

"Corn is the favorite vegetable, among adults and kids," he says, and "it would not be too far off-base" to compare the quality of Campbell's Italian Tomato, a "rich, red soup, with pieces of tomato, seasoned with onion, basil, oregano and garlic," with glass-jar chicken cooking sauces retailing for almost four times the price.

In non-ingredient soups, Campbell is placing its bets on Double Noodle Soup, with "literally twice the noodles that are in our leading chicken noodle soup." The ad slogan: "If there were any more noodles, we couldn't

call it soup." It will appear in the canned condensed line and in dry pouch form.

In the bubbling healthy soup segment, Campbell introduced 11 Healthy Request soups last September, and added four more varieties in January 1992. In July, the sub-line expanded again, with Healthy Request New England Clam Chowder. The 100-calorie chowder has 33 percent less salt and is 98 percent fat-free, with three grams of fat per serving. (Regular Clam Chowder, by contrast, has eight grams of fat.)

While the representative acknowledged that consumers are confusing Campbell's Healthy Request with ConAgra's new Healthy Choice soup line, he indicates that, with a few Healthy Choice SKUs mixed into the Campbell-dominated soup section, "they're more likely to think [ConAgra's product] is ours." He adds that "there are no plans to rename the [Healthy Request] soup line." With Clam Chowder, the sub-line expands to 16 items, eight of them condensed, eight ready-to-serve.

A bigger chunk

Campbell is also extending its Chunky sub-line with a Beef Noodle flavor, in 11 and 19-ounce cans. And the Home Cookin' line comes back this year, putting more emphasis on the Campbell's logo than the Home Cookin' tag. That sub-line also expands with New England Clam Chowder and Chicken Vegetable flavors.

The company is also playing up its brand name in the microwavable dry soup segment. Bolstered by the October 1991 acquisition of Sanwa Foods' dry soups, Campbell has emerged as the second-biggest supplier of dry Oriental soups, according to the spokesperson.

CES numbers show the Oriental subcategory continuing to help dry soups grow at a rate (6.6 percent) that outpaced growth for canned (4.0 percent), but on a smaller base (\$733 million vs. \$2.1 billion), according to CES.

Campbell also packages ready-to-serve versions of its more popular red and white varieties in 10-ounce microwavable bowls. But while the bowls usually retail for under a dollar, aggressive pricing on canned soup slows sales for microwave-ready equivalents.

"We low-ball canned Chicken Noodle, Tomato and Cream of Mushroom," says Fulmer's Allison, creating conditions under which "consumers are still leaning toward buying canned."

If microwavable soup faces an uphill sell when its canned equivalent is cheaper, microwavable vegetables are more severely challenged. Vegetable Classics from Del Monte wasn't a "me-too" product. But flagging demand forced an abrupt end to the planned, national rollout for the nine-item line of prepared, value-added vegetables, which retailed for \$1.29.

"Everybody's scrambling for that territory," says Ken Murray, director of marketing at Stokely USA (Oconomowoc, Wis.), of the shelf space that opened in Vegetable Classics' absence. Stokely hopes to grab a piece with new products that are set apart slightly from the commodity norm. They include Crisp Sweet Corn, introduced in April, and Sweet & Sauerkraut, which debuts this month.

Retail strategies for replacing the discontinued microwavable vegetables depend upon how they decided to stock them in the first place. Fulmer Supermarkets' Allison says new microwavable cups are "filling the void" left in the microwavable sections of the canned goods aisles. At Eastern Shore Markets, where micro-veggies were simply inserted into the canned vegetable mix, traditional canned vegetables are filling the vacuum.

Despite tonnage gains, poor dollar growth continues to hang over the canned produce commodities like a leaden cloud. Heavy-hitting vegetables such as corn, peas and green beans advanced 2.6 percent, but declined 2 percent in dollars, according to the Food Institute (Fair Lawn, N.J.). CES numbers also show declines for corn (1.1 percent), peas (four percent) and beans (three percent).

Canned fruit showed similar results, with dollar declines in high-tonnage items such as peaches (1.4 percent) and fruit cocktail (2.7 percent). Other categories eked out weak gains, including applesauce (1.9 percent), apricots (2.1 percent), cranberries (0.6 percent), pears (1.3 percent), pineapple (0.6 percent), baked beans (1.3 percent) and mushrooms (3.7 percent). And for some reason, the canned potato category enjoyed an eight percent surge, to \$116 million.

For buffet buffs

Del Monte is putting its emphasis this year on "the buffet fruits, the snacking kind of fruits," such as pineapple and other tropical fruit items, according to Jim Jones, vice president, national accounts. Del Monte has also embarked on a print advertising campaign that talks up the nutritional benefits of produce.

Dole Packaged Foods (San Francisco), also affected by declining sales of canned commodities, sees a glimmer of growth in tropical fruit salad. Joe Flannigan, vice president of marketing, says that while many adults consider traditional canned fruit cocktail old hat, Dole's use of papaya, guava and sliced bananas offers them a new taste experience.

Pillsbury's (Minneapolis) Green Giant brand isn't sprouting with new product activity, but the company hopes its Something Special! line of baked beans, introduced nationally this spring, spices up that segment, one of the few that posted sales gains in 1991. The 16-ounce cans, which retail for a suggested \$.79, come in three flavors—barbecue, honey-flavored and Mexican style. Along with the sauce flavorings, the bean combinations are new, according to a Pillsbury spokesperson.

S&W Fine Foods (San Ramon, Calif.) has hitched three additional line extensions to its successful Redi-Cut Tomato brand—salsa, pasta sauce and no-salt. They join an existing Italian style variety, expanding the Redi-Cut family to five. "What sets them apart is that they're made from fresh tomatoes—they're packed during the season," says a company representative. By using cans instead of jars, he adds, S&W can sell a premium pasta sauce product at a \$.79-\$.89 suggested retail price.

Curtice-Burns Foods (Rochester, N.Y.) strives to fill niches opened by regional taste preferences with its canned vegetable, fruit, and pie fillings. Its Nalley's Fine Foods division, for example, has regional specialties like

Walla Walla Onions and Oregon Cheddar Cheese for the Pacific Northwest. And its Comstock Michigan Fruit division found solid demand for the solid-pack pumpkin it introduced as a baking ingredient in the Midwest last year.

Whether you classify it as a canned fruit or vegetable, the tomato—and its pasta-sauce derivatives—continue to give the shelf-stable category a solid boost. Sauce sales grew 4.7 percent in 1991, up \$688 million, as health concerns and the economy continue to push people toward pasta.

Ragu Foods (Trumbull, Conn.) has noticed more supermarkets stocking its larger jar sizes, "apparently to better compete with the membership wholesale trade," according to Wayne Hartunian, brand manager. Health-conscious consumers, who once viewed any kind of pasta and sauce as a healthy alternative, are now trying to pare away the few grams of fat most sauces contain. Ragu launched its Today's Recipe line in January, priced at \$1.79 for a 26-ounce jar, to meet that demand.

This spring, Hunt-Wesson (Fullerton, Calif.) extended parent company ConAgra's increasingly ubiquitous Healthy Choice brand to include jarred sauce. The new five-flavor line of sauces boasts 0.3 grams of fat per serving, compared to 3.3 grams for Ragu and 4.4 grams for Prego. The 26-ounce glass jars sell for a suggested \$2.39.

Campbell, which makes Prego, also recently extended its Healthy Request label from soup to sauce. But it is unlikely that the soup category's "Healthy" battle between the very similar Choice (ConAgra) and Request items—and the consumer confusion it generates—is about to spill over to the jarred sauces arena. Healthy Request, with less than a gram of fat per serving, is sold in 26.5 ounce cans, not jars, at a suggested retail of \$1.29.

Hunt-Wesson, of course, is no stranger to the canned sauce category, having made a big splash with its own 27-ounce cans, which are priced at a competitive \$1.09. The company recently extended the line with a Light sub-line and recipe-ready Choice-Cut Diced Tomatoes, which sell at a slight premium to its canned spaghetti sauce.

Hunt's Diced Tomatoes compete indirectly with Campbell's new ingredient soup, Italian Tomato, and head-on with Recipe-Ready Tomatoes, a new item marketed by Nestle's Contadina Foods subsidiary (Glendale, Calif.). Contadina also recently introduced Pasta Ready Tomatoes, with olive oil and flavored with garlic and basil, which more directly targets products such as Del Monte's Chunky Pasta Style Stewed Tomatoes.

Ethnic flavors continue to add zest to the prepared canned food category. The 7.3 percent gain in Oriental prepared food bolstered the category with an \$18 million increase in sales. And with margins at a generous 30.7 percent, supermarkets grossed \$65 million from the category last year.

Hunt-Wesson hopes the combination of America's growing appetite for pasta and Chinese dishes will continue to bolster sales for its two La Choy bi-packs introduced earlier this year, Noodles with Oriental Style Chicken and Noodles with Oriental Style

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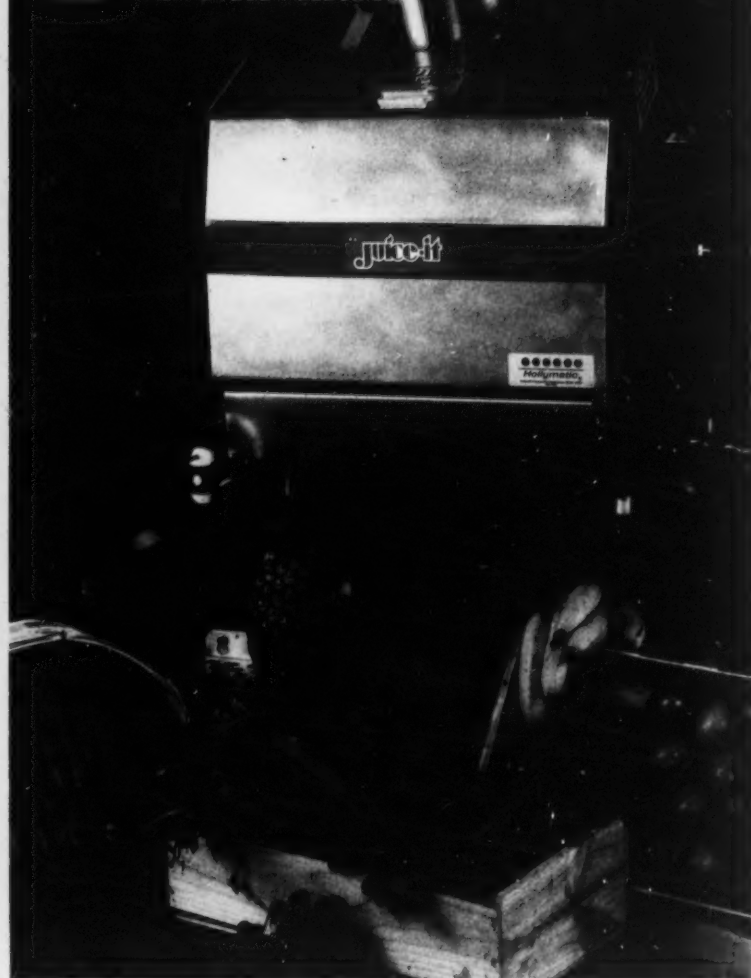
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Frozen

Continued from page 116

Along with new products from existing players, at least two new heavyweights join the frozen dessert fray—Lean Cuisine and Healthy Choice. Like the others, they strive for products that provide consumers with guilt-free (or at least guilt-reduced) indulgence.

ConAgra (Omaha) worked with Dreyer's Grand, Edy's, Wells Bluebunny and other ice cream makers on food gum blends that help give its Healthy Choice frozen desserts a creamy texture despite a fat content limit of two percent.

The 12-item line, introduced in eight cities in February and available in most of the nation's major markets in June, is finding a good retail reception and strong consumer response, according to Doug Youngblood, director of manufacturing and product development. "The biggest problem is keeping the product in stock," he says of the line, which is sold in half-gallons and quarts.

While Youngblood notes that basic flavors are usually the fastest movers, with vanilla typically accounting for 30 percent of an ice cream line's sales, the top Healthy Choice flavor is Pralines and Caramel. Other specialized flavors include Bordeaux Cherry, Fudge Brownie and Coffee Toffee Crunch.

ConAgra and its affiliates are now working on Healthy Choice frozen yogurt and various frozen novelties. They should be ready for test markets later this Fall, leaving enough time for a national rollout before the peak ice-cream buying months in mid-1993.

Coldly calculating

With its new Lean Cuisine ice cream, Nestle subsidiary Stouffer's (Solon, Ohio) is betting on a slightly richer formula. While a great deal leaner than super-premium brands with fat levels of 15 percent or more, the 12-item line tips the scales with three to five percent fat levels.

Like the new Healthy Choice line, the flavor line-up competes for mainstream tastes, but with a few novel twists: there's Vanilla, French Vanilla, Chocolate, Strawberry, Butter Pecan, Cookies and Cream, Pralines and Cream, Chocolate Chip, Cherry Cobbler, Fudge Swirl, Apple Pie and Rocky Road.

The half-gallon cartons carry suggested retails of "about

\$4.19," according to product manager Ed Yuhas. That's a bit less, on a unit basis, than super-premium brands, and a bit more than mainstream half-gallon brands Sealtest or Breyers.

Breyers, now part of Kraft General Foods, celebrated its 125th year in 1991. Despite its antique heritage, the brand is still nimble enough to react to market trends. Kraft General Foods introduced Breyers Light ice milk in 1988 and Breyers lowfat yogurt in 1990. Sealtest Free, meanwhile, is a nonfat entry.

New flavors, novelties

Good Humor (Green Bay, Wis.), a subsidiary of Thomas J. Lipton and Unilever, relies on competitive pricing, innovative products and nostalgia to drive sales growth this year. Viennetta, a 20.3-fluid-ounce, loaf-shaped dessert, is made with 12 layers of ice cream and chocolate crisps. The product, available in Europe since 1982, serves five to six people and retails for under \$3 a box.

The company is also supporting its four "Classic" novelties, Candy Crunch, Toasted Almond, Strawberry Shortcake and Chocolate Eclair—with a \$5 million ad campaign, 40 million coupons and a 42-city tour featuring a renovated 1940s-vintage Good Humor truck.

If its classics ring a Pavlovian bell with older Americans, Good Humor targets the next generation with novelties. This year, they include Mini Milk ice-milk pops, made specifically for preschoolers, and Vampire's Secret, with "shocker" appeal for the "older" set. (The purplish novelties conceal an "oozing" red center).

Stonyfield Farm (Londonderry, N.H.) and R.W. Frookies (East Hampton, L.I.) can't match the shock value of Vampire's Secret, but their joint-venture product, the juice-sweetened Frookwich, is targeted at parents spooked by sugar and other more-complicated ingredients with unnaturally long names. Yogurt/cookie flavor combinations include vanilla/chocolate chip, strawberry/oatmeal and chocolate/chocolate chip.

H.P. Hood also expects its Hendries Kidwich mini-sandwiches to appeal to parents as well as kids, but for slightly different reasons, including a suggested \$2.29-\$2.79 retail price for a 16-count box. "We know adults who are watching their caloric intake will also be attract-

ed to the smaller snack," says Michael Brandt, director of consumer marketing.

Hood also offers a rotating feature flavor program with its Hendries label. New flavors are available every three months, priced on par with other Hendries half-gallons, from \$2.99 to \$3.49. Some recent samples: Tin Roof Sundae, Cranberry Nut, Creme de Menthe Chip and Peach Melba. For the rotating Kid's Favorite line, there's Cotton Candy, Peanut Butter 'N Jelly, Chocolate Pudding Swirl and Rainbow Chip.

Along with competitive pricing, Borden (Columbus, Ohio) adds value to its Lady Borden ice cream line with additional flavors and mix-in fruit and nuts. This year's line includes Candy Bar Swirl, Chocolate Raspberry Macaroon, and Homestyle Vanilla, made with Eagle brand sweetened condensed milk.

Prepared food battles rage on

The total pie for frozen dinners and entrees shrank 6 percent from 1990 to 1991, despite the development of new, children-oriented lines by ConAgra (Omaha), Tyson Foods (Springdale, Ark.), Campbell Soup Co. (Camden, N.J.) and others.

"They're not setting the world on fire around here, but they do sell," says Many Foods' Michas. Even with the upscale clientele at his three stores, Michas had doubts about whether the "pricey" kiddie items would gain a following. "I was very skeptical at first," he says. For the amount of food the children's meals and entrees provide, "I didn't think people would find them worth the bucks."

While hard to quantify, one factor driving the success of the kids' dinners category is, undoubtedly, the "wheedling factor."

This phenomenon, noticed by parents of small children, is a chain-reaction that starts with exciting paperboard graphics and ends at home, when boxed dinner contents are microwaved, poked at, then discarded. After a heavy dose of TV advertising, the cycle repeats itself, starting with the next trip to the store.

ConAgra, currently waging blitzkrieg campaigns to expand its Healthy Choice franchise into retail arenas as diverse as canned soup, spaghetti sauce, dairy case cheese and ice cream, isn't ignoring the prepared entree battlefield where the brand scored its first big success.

In late July, the company

announced Life Choice, a brand that ties in with *Reversing Heart Disease*, a best-selling book aimed at helping people reverse heart disease without drugs or surgery.

"Life Choice is the 'skim milk' of the frozen meals category, while Healthy Choice is the '2 percent milk,'" says James Tindall, president and COO of ConAgra Prepared Food Cos. The six-meal line was created in strict accordance with author Dr. Dean Ornish's program, and incorporates some of the recipes in his book.

ConAgra also managed to straighten up a fundamental contradiction in its frozen meal marketing plan. Ever since it introduced Kid Cuisine in May 1990, the company has apparently expected parents to buy a Healthy Choice for themselves, yet settle for fun-but-fatty fare for their kids.

That contradiction eased two months ago, when ConAgra relaunched its 26 kid-targeted Kid Cuisine, Mega Meal and breakfast items with nutritional profiles that average out to fit national guidelines.

"It's an ongoing process," says a spokesperson of the lighter breadings and dessert-juggling that reduced the percent of fat-based calories from 34 to 28 percent. "We're always striving to get the fat content a little bit lower, and to make the meals healthier."

Despite its leaner profile, ConAgra has held the line on pricing, according to Foley. "In fact, we've implemented extensive price allowances to make the product more affordable," she says. Suggested retails are \$1.99 for the 12 Kid Cuisine dinners, \$2.59 for the six Mega Meals and \$1.59 for the eight breakfast items.

Campbell Soup Co. (Camden, N.J.) plunges into frozen entrees for kids with its Swanson Fun Feast line, introduced nationally this spring. The eight-item line retails for \$1.89 and features several novel concepts. Kids can lift out the frozen dairy dessert, letting it stay frosty as the rest of the meal cooks. They can also tuck it in the freezer and eat it later.

Campbell also cross-promotes its breaded seafood with a Mrs. Paul's Fish Sticks variety. And Mini Grilled Cheese Sandwiches stay crispy when zapped. Like all the meals for kids, cooking time is three minutes or less.

Once upon a time, there were two types of food—diet food,

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Frozen

Continued from page 161
and "who cares?" Today, two in five Americans opt for lower-calorie food, and two in three adults choose lower-fat items. With a "niche" that large, it's only logical that companies like Weight Watchers (Pittsburgh) cater to sub-niches.

So far this year, the H.J. Heinz affiliate has introduced three sub-lines flanking its traditional white-box line: Ultimate 200s (for calorie-counters), Stir-Fry (beef or chicken dishes with zesty flavorings) and Smart Ones (for fat-gram watchers). By this month, the sub-lines will include 40 frozen entree items.

With more choices, the sub-line concept may seem to make dieting more complex. But Weight Watchers indicates the specially-formulated groups let consumers grab and go, with less fine-print scrutiny, not more. "Each one has been crafted to provide unique consumer benefits and meet desired consumer needs," notes Linda Webb, general manager, corporate affairs.

Weight Watchers also recently introduced 11 new frozen

desserts including microwavable sundaes (special packaging makes the sauce hot, not the ice milk); Caramel Nut Bars, Brownie A la Mode, and a 120-calorie Chocolate Eclair. And the company adds four budget-priced basics to its regular line, including fat-reduced Macaroni and Cheese, priced to sell below \$2 retail, vs. \$2.19 for Smart Ones and \$2.59 for Stir-Fry entrees.

Home basics

In May, Stouffer Foods Corp. (Solon, Ohio) unveiled the biggest change to its logo in its 38-year history, dropping the traditional Dutch Oven design. But Stouffer's still pitches the core of its 150-plus item line of entrees, side dishes and french bread pizza to America's home plate.

Stouffer's Homestyle Favorites sub-line, with items like Beef Pot Roast and Browned Potatoes, has expanded to 14 items since its 1990 introduction. Classic macaroni and cheese, first introduced in 1954, remains the company's best-selling frozen entree. And even the newfangled flavors in the new Lean Cuisine ice cream line—apple pie and cherry cobbler—

have a reassuring, homey ring.

But within its most recent additions to its Lean Cuisine line, Stouffer adds some untraditional items to such basics as meatloaf with macaroni and cheese and baked potato with sour cream and chive sauce, typically priced between \$1.89 and \$2.79. They include Angel Hair Pasta marinara with zucchini, mushrooms, peppers and carrots and Honey Mustard Chicken.

The Lean Cuisine line, reformulated last year to contain no more than 30 percent of calories from fat, no more than 65 mg of cholesterol, fewer than 600 mg of sodium and fewer than 300 calories, continues to be fine-tuned. The most recent change affects a minor ingredient—vegetable oil. Stouffer's switches from corn to canola oil.

Riding the trends

Campbell, which followed the 1981 introduction of Stouffer's Lean Cuisine with its own Le Menu debut in 1982, continues to aim at a more upscale target. In January, Campbell's relaunched the line under the New American Cuisine banner, basing the menu on frequently-ordered items at contemporary

restaurants.

The line, priced at a suggested \$3.39, uses grilling and roasting as well as lighter sauces to address healthy eating trends. The line is grouped into three categories: "From the Grill," with five items; four "Bistro Favorites" and three "Melting Pot" selections.

A sample grill item is Santa Fe-style Grilled Chicken, served with a rice, corn and black bean medley, with zucchini, carrots and a corn muffin. "Bistro Favorites" include updated traditional meals such as pot roast with mushroom gravy, served with red-skin potatoes, carrots and peas. "Melting Pot" includes Veal Parmigiana updated with sliced peppers; Sweet & Sour Chicken with oriental vegetables; and Chicken Parmigiana in chunky tomato sauce with pasta.

Campbell's is also hoping to train its Mrs. Paul's consumers to scrutinize the fine print and throw back competing brands that are higher in fat. The new Healthy Treasures breaded seafood line, nationally introduced in January, eliminates the frying process and keeps fat to three grams per serving. Priced at \$2.49, the line includes fish

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sticks and fillets, with 150 and 170 calories, respectively.

As a whole, the frozen pizza category is bubbling at a much hotter growth rate than the frozen prepared foods category as a whole—up 6.4 percent, versus a one percent prepared foods decline, according to CES. But frozen pizza still lags a bit in growth behind fresh pizza, and frozen pizza accounts for a mere sliver of the total that consumers spend on all kinds of pizza.

"There's a definite opportunity for frozen pizza manufacturers," says Jim Dwyer, Tombstone's vice president of marketing. He notes that while frozen pizza represents a \$1.6 billion business, Americans spend something like \$17 billion every year for all types of pizza, including restaurant and take-out varieties.

Take it home

"Home-delivery and take-out account for 60 percent of pizza sales," Dwyer says, outlining opportunities for grocery store growth. "If we can convince consumers to 'take out' from the supermarket, we will expand the frozen pizza category to include many adults who are not currently purchasing frozen pizza."

Dwyer notes that even super-premium frozen pies cost under \$5, while take-out pies typically cost \$6 to \$9. They heat up in a conventional oven in 20 minutes; most home-delivery outfits require at least 30 minutes to make and deliver customer orders. The only remaining hurdles seem to be taste differences—real or perceived—and the need to convince consumers to change their pizza-buying habits.

Dan Koch, director of marketing for Tony's Pizza (Marshall, Minn.) agrees about the opportunity to expand frozen pizza growth, noting that, in all its forms, pizza has "eclipsed hamburger as the most popular food." But he adds that it doesn't make much sense for supermarkets to expect lower-quality, 99-cent pies to help them win the war against Pizza Hut and Domino's.

"Consumers are demanding more and more quality, not less," he says. "The higher-quality pizzas give a higher dollar ring, and they move very fast when promoted," he adds. "Why not dedicate more space to it, and promote it more often? We could be taking a bigger share of the [total] retail dollars for pizza."

Gene Welka, president of McCain Ellio's Foods (Lodi,

N.J.) and the National Frozen Pizza Institute, cites a mismatch between pizza sales and available space in the freezer case.

"Frozen pizza accounts for about seven percent of total frozen food sales," he says. Citing research revealing that retailers typically devote only five percent of their freezer space to the category, he asserts that "if you look at the sales in dollars, we're under-spaced by about 30 percent." By contrast, Welka adds, frozen dinners and entrees are "way over-spaced."

Along with more space, Welka says retailers could make better use of their promotional dollars by getting their ads in synch with what they're capable of displaying in their freezers. Too often, he says, a brand-glutted ad is paired with a limited freezer case display. That, he says, becomes "a self-fulfilling prophecy"—wasteful out-of-stocks, which waste ad money, lower potential sales and create unhappy consumers. His advice: "Don't go crazy on the number of brands featured in the same ad," unless there's extra freezer space that can store enough product to meet the demand.

While many retailers cut back freezer space for pizza in the warmer months, giving some of it to frozen novelties and ice cream, Welka aims to balance the warm-weather dip in frozen pizza demand with three flavors of McCain Ellio's new super-premium BBQ Sauce pizza. The line was introduced in late July, priced to sell at about \$1.79-\$1.99 for cheese and \$2.29-\$2.49 for meat varieties.

"It was a two-year undertaking," Welka says of the product, which can be thrown onto the grill, on a sheet of foil, next to the hot dogs and hamburgers. Close the cover, and the heat melts the hand-made crust, the barbecue-flavored sauce, and the cheese, beef and chicken toppings. "It's a very simple process," Welka says, adding that the product can be cooked in a conventional oven as well.

McCain Ellio's isn't the only company with a super-premium barbecue pizza product. Little Lady Foods Inc. (Elk Grove Village, Ill.) introduced BBQ Chicken Pizza as the eighth flavor for its regional Bravissimo hand-made pizza line, which is partially cooked before it is flash-frozen. Other flavors include sausage, spinach, deluxe, four-cheese, pepperoni, combination and Mexicana supreme. Retail pricing ranges from \$3.99 to 4.49.

■ Frank Hammel

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Snack Foods

Continued from page 135

the cracker mainstays are now available in this miniature form and manufacturers continue to roll out new mini-versions of a wide array of products.

"Fun positioning" is the way Borden describes its effort to put a new spin on an old product. Doodle O's gives a new shape to Borden's extruded cheese snack, Cheez Doodles. Its colorful packaging and "Foxy Doodle" character particularly appeal to the younger generation.

Not popping

If new product categories have driven growth and excitement in the snack industry, the popcorn and peanut markets have been slogging it out over the past year. SEA figures show that growth of popcorn sales slowed to 4.4 percent in 1991, following a period of rapid growth and product introductions. The healthier "low-oil" or "light" varieties accounted for the major sales gains in both ready-to-eat and microwavable popcorn. Low salt versions also did well. Eagle Snacks' Bowler looks forward to some tempting line extensions in the coming year to put more life into the market.

Snack nuts continued to show the effects of a poor peanut crop in the fall of 1990. But Procter & Gamble is currently test marketing a new taste concept in mixed nuts—Fisher Favorites. Available in three varieties—toffee, praline, and honey glazed—Fisher Favorites are different from other mixed nut products because the peanuts and almonds are flavor coated,

according to a spokesperson who declared "Consumers will no longer eat the cashews and leave the rest."

As long as tough economic conditions persist, manufacturers will be forced to court a consumer who has come to expect price breaks when buying snack foods. Garry Allen, general manager of Herb's Foods, Lawton, Oklahoma, noted that his stores "have had good luck with the buy one, get one free campaigns in the potato chip segment." While providing manufacturers with coveted market share, this brand of price competition has also slashed margins significantly throughout the industry.

Eagle Snacks' new "Pick a Pair" retail campaign tries to attract new snackers without eroding already narrow profits. Advertising and trade promotions offer consumers the chance to simultaneously purchase two Eagle products in different categories at the same price. In president Bowler's view, this campaign is good for his company and retailers alike—snackers wind up trying one more Eagle product and the retailer is rewarded with an incremental sale.

The challenge ahead for snack companies is clear. Create new, robust-flavored products that carry higher margins and justify added shelf space. At the same time, energize existing lines with advertising and promotions that do not compromise financial viability. Just how well snack manufacturers succeed in both missions will determine their profitability in the coming years.

■ **Melira Madonia**

Canned

Continued from page 159

Beef. Suggested retails range from an everyday \$3.09 to a \$2.69 promotional price.

Consumer interest in Oriental foods is evident even in brands as close to the middle American mainstream as Betty Crocker's Skillet Chicken Helper. Last fall, it developed a stir-fry line extension.

Mexican-flavored foods are spicing up the canned prepared category as well. Its 3.6 percent gain added \$26 million in 1991, to just under \$600 million, \$176 million of which was gross profits. Hormel, which links its canned prepared Mexican food to the popular Chi-Chi's restaurant name, extends the brand from its salsas, sauces and dips to include 15 ounce cans of refried beans as well.

Hot tuna. Hotter sales?

Canned tuna suppliers are struggling to keep sales and margins afloat, in a \$1.42 billion sub-category that was off by \$218 million or 6.2 percent last year.

The idea of Mexican tuna might leave a bad taste in the mouths of dolphin-loving activists, but dolphin-safe, jalapeno-flavored tuna might not. That's the hope of Bumble Bee Seafoods (San Diego), which recently added such a variety to its water and oil packed lines in Southwestern markets.

"It got a very favorable response," says Eric Brown, vice president of marketing. Bumble Bee hopes its \$550,000 investment in high-tech tuna-locating technology pays off as well. If it works, it will give commercial fisherman in Mexico and elsewhere an alternative to the practice of dropping nets on dolphins to get at the tuna below.

While the Jalapeno variety retails for \$.89-.99 per 6.1 ounce can, Bumble Bee has also generated interest with its premium-priced Diet Low Salt Tuna, which retails near \$1.49. That item was introduced in mid-1991 and rolled out nationally earlier this year.

StarKist, marketed by H.J. Heinz (Pittsburgh), has been focusing its new tuna product efforts on the packaging more than the contents. Its Charlie's Lunch Kit starts with a 3.25 ounce can of chunk white or chunk light tuna and shrink-wraps packets of mayonnaise and relish (Heinz, naturally), six crackers, a spoon and two clear cups. Consumers drain packing water in the top cup and mix the ingredients in the bottom cup. The product appeared in vending machines before rolling to supermarkets this year.

At the opposite end of the value/convenience spectrum, Van Camp Sea Food (San Diego) has seen an uptick in demand for larger sizes of its Chicken of the Sea brand, including 66-ounce cans. But Joe Berry, director of marketing, doubts that the bigger cans are rolling to average-sized households. Local delis, he notes, may use club-pack sections at supermarkets as a handy alternate source of supply to their regular wholesaler. This year, Van Camp is also hoping to use institutional foodservice channels to beef up public awareness of tuna as a healthy substitute for other kinds of meat.

■ **Frank Hammel**

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Soft Drinks

Continued from page 139
their own. "The caffeine-free and diet colas are still tending to outgrow sugared colas," the spokesperson says. "And they're strong brands—Diet Pepsi and Caffeine-Free Pepsi are in the top 10 of all soft drinks sold."

Now age appeal

Carl Gilman, vice president of marketing for Snapple, suggests that the key factor driving the brand's rapid sales growth isn't all that different from what's driving sales in other sections of the supermarket.

"People care about what they ingest—everybody's reading labels," Gilman says. Along with its expansion to national distribution in July, Snapple has flowed from the low-volume "Mom & Pop" cold-case accounts to higher-volume supermarkets. "Five years ago, we weren't in any chain stores, anywhere," Gilman says, adding that Snapple now claims 20 to 60 linear feet of high-volume supermarket shelf space. "Each year, footage has grown."

To fill that expanding space, Snapple continues to broaden its product lines. New carbonated beverages include Strawberry Blush and a ginger beer; Pink Grapefruit Cocktail joins the non-carbonated line, and the iced tea collection expands with a new peach flavor and a diet decaffeinated option.

The newest item in the Snap-Up energy drink line, meanwhile, meets iced tea halfway. "We've married the two hottest-selling items—Snap Up and iced tea," Gilman says. While Snapple is "number one in tea," Gilman says he'd "be happy with about five percent" of the growing energy drink business.

Energy drink vigor

Sales for the amorphous "new age" segment are probably growing faster right now than those for energy drinks. But among the soft drink categories tracked by CES, energy drinks lead the race in total dollars (\$1 billion), dollar growth (10 percent) and gross margin (29.6 percent).

While energy drinks beat total bottled water sales (\$696 million) and profit margin (27.8 percent), supermarkets lose 10 percent of energy drink sales to other outlets. Supermarket share

of bottled water, by contrast, is almost leak-proof, at 99 percent.

So while the strapping energy drink segment pumped up supermarket sales with a healthy \$630 million, bottled water sales contributed even more—\$645 million, according to CES. Both categories have margins that are more tempting than those for bottled soft drinks (22.8 percent) and for the category as a whole (23.5 percent).

Pumping liquid

Much of the credit for the rise of sports drinks goes to the company that dominates the category, Quaker Oats (Chicago). After acquiring Gatorade from Stokely-Van Camp in 1983 for \$95 million, Quaker has been the driving force in the category's ten-fold increase in sales, from \$100 million to \$1 billion.

In an effort to please more tastebuds, Gatorade launched its seventh flavor—grape—earlier this year. The others are lemon-lime, orange, fruit punch, lemonade, citrus cooler and tropical fruit. Tests show the new flavor to be popular with kids and adults aged 20-34.

As with iced tea, Coca-Cola, Pepsi, A&W and others are jumping into the energy drink pond, making it bigger in the process. Coca-Cola hopes to turn a sleepy fountain-account brand, PowerAde, into a major new energy drink, and introduced the retail beverage into four Southern test markets in April. Pepsi's new Allsport, meanwhile, is already in 25 percent of the nation's markets. And last month, A&W announced market tests for Everlast, a sports drink set to break nationally in 1993.

Coca-Cola's PowerAde and Pepsi's Allsport are available in lemon-lime, orange and fruit punch flavors, and both are sweeter-tasting, and tout a higher concentration of high-energy carbohydrates, than the venerable Gatorade brand.

A&W's Everlast takes a new-age cue and goes clear, with no artificial colors, flavors or preservatives. Flavors include lemon-lime, orange, grape and mixed berry, in 16 and 32-ounce glass and plastic bottles.

A Quaker spokesperson expressed no illusions about the promotional and distribution clout of the big brands. "They're going to be formidable competitors," he says. At the same time, the company isn't quaking in its cross-trainers. As its representative pointed out, Quaker has been competing

with up to 30 regional energy drink brands for years.

Those smaller players—and other newcomers, such as the clear-colored Hy-5 from Grey Eagle Enterprises (St. Louis), one of Anheuser-Busch's beer distributors—aren't as powerful as Coke or Pepsi. But so far, at least, Quaker is holding its own. While Coca-Cola was able to tout PowerAde as the official sports drink of the Olympics, for example, Gatorade can exhort the MTV crowd to "be like Mike" and drink Gatorade. Mike who? Jordan, of course—probably the best-known athlete at the Games.

Quaker also believes that while Coke and Pepsi are hoping to win over consumer taste buds with a sweeter-tasting product, Gatorade will prevail among consumers looking to replace lost fluids.

"We feel very strongly, after years of research in exercise physiology labs, that from a performance standpoint, the current formulation is about as ideal as you can get," the spokesperson says. "The carbohydrate level is where it should be. And people who are hot and thirsty and have exercised heavily find the taste of Gatorade exactly right—they're not looking for a sweeter-tasting product."

Perrier still re-building

In the bottled water segment, Perrier has made some progress toward regaining the sales it lost with its highly-publicized recall in February 1989, but the brand as a whole has yet to recover 100 percent, according to a company spokesperson. She cites sluggish demand in restaurants, which have been hurt by the recession.

At presstime, the company was optimistic that its recent ad campaign, "Part of the Local Color," would help spur restaurant volume along with sales for its original Perrier and four flavor extensions, lemon, lime, orange and berry.

As its namesake brand treads water, Perrier churns ahead with new flavors marketed under other brand names. Ice Mountain, now available carbonated and non-carbonated, includes cherry, blackberry, raspberry and peach flavors. Calistoga Country Orchards, a non-sparkling spring water, has been extended as well, and now comes in lemonade, cranberry-raspberry, concord grape, pink grapefruit and cranberry-apple varieties.

■ Frank Hammel



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Video

Continued from page 150
by theatrical videos, say consultants and video marketers. First, appropriate videos can be cross-promoted with numerous super-market product categories. Second, special interest video is a young market poised for growth. "The category will experience enormous growth over the next two to four years," says Tom DeMaeyer, president, Bowling Green Associates, a management consulting firm for the video industry. DeMaeyer says programmers have thus far reached only 15 to 20 percent of the potential market.

Growth will gain speed "once there is a clear mechanism to get the product to the market place, letting consumers know what is available. There is no advertising as with theatrical tapes," consultant DeMaeyer notes.

Most sales today occur through direct marketing, as with last year's highly-popular PBS Civil War program which was sold over television, and Golf Magazine's golfing tapes, sold through magazine ads, DeMaeyer says.

But special interest video companies—eyeing the super-market floor as avidly as Ponce DeLeon once scanned the balmy coastline of Florida—are bent on changing that trend.

"Supermarkets are a key target for us. There is a tremendous opportunity for them to use video to promote supermarket products," says Harold Weitzberg, vice president, sales for Wood Knapp, a West Coast special interest video company.

Wood Knapp videos include a 17-title series on how to take photos produced by Kodak; Angela Lansbury and Rita Moreno workouts, Bon Appetit cooking tapes and Paul Newman and Mario Andretti car racing tapes.

The vendor, in its "Stuff-It" program, will put the retailer's coupons in the tape package, flagging the value on the box.

"A lot of our programs work much better in outposts (away from the video department) and paired with the appropriate products. A Wood Knapp how-to tape on weddings blister-packed with a book can be featured, for example, in a floral department.

"The key thing to realize is that our product is primarily a sell-through product that people want to hold onto," says Weitzberg.

Fitness videos have been a cornerstone of success for supermarkets in special interest video. That was underlined this year with the best-selling success of "Cher Fitness," which has become, since its November 1991 launch, "the best selling fitness video in the world," says Kevin Conroy, director of marketing, sports and fitness products, CBS FoxVideo (New York).

The key to success in fitness videos is to feature a usable, repeatable workout, and in the case of the "Cher Fitness" Video, a personal trainer leading the exercise to add credibility, says Conroy.

Supermarkets represented over 20 percent of distribution of the 90-minute workout tape, on which consumers got a \$5 rebate in a cross-promotion with

NutraSweet's Equal sweetener that peaked in the first quarter.

Conroy said CBS FoxVideo is "committed to developing the Cher Fitness video brand."

In general, the key to sell-through, says Mindy Phillips of MGM/UA Home Video, is "very knowledgeable people in-house." Don't hire someone to staff the video department unless they know and like both people

and films, she advises. "You need someone capable of truly hearing the customer, and making intelligent suggestions in regard to your store catalog."

If this isn't possible, do your best to see that merchandising makes up for it, she adds. "Make sure your satellite products are merchandised around central ones."

■ David Vaccaro

Back Room

Continued from page 157
ture," he says. "If charities in this area haven't gotten the hint by now, it might be appropriate to start prosecuting these people so they do get the hint, so there is a deterrent effect out there."

Another tool to put a stick in the spokes of coupon fraud, Sarmousakis says, is through the new sentencing guidelines for the crime which have recently taken effect. "The old way," he says, "the judge could give anything he wanted and they were eligible for parole after serving one-third of the sentence. Now, it's a minimum of 27 to 33 months, and you have to serve everything except 15 percent. The fines mandated by the guidelines begin at \$50,000, too."

Even under the old way, though, things could occasionally get extremely hard for coupon schemers. One guy in the "Coupon King" ring in southern Florida who wouldn't accept a government deal ended up getting "17 years and huge probation," according to

CIC's Bud Miller.

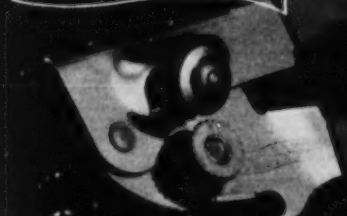
And when the Justice Department is finished with convicted coupon crooks, the friendly minions of the IRS are waiting in the wings. "It's a rare instance where there's coupon fraud without tax evasion," says Sarmousakis. "There's back taxes, interest and a 50 percent whack on the fraud penalty plus interest. You can triple the amount of the fine through the interest and the penalties from the IRS."

When asked if he thinks coupon fraud will continue, Sarmousakis says, "I don't know if it'll ever be totally eliminated. We've made a positive impact, but you know what Willie Sutton said about why he robbed banks? 'Because that's where the money is.'"

True, but Willie Sutton, who spent a great deal of his life behind bars, was doubtless acquainted with another criminal maxim that supermarketers and others tempted to play the coupon game should remember: If you can't do the time, don't do the crime. ■

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